"A LONG ROAD AHEAD"

Ministerial Task Force
Logging Sector Employment in the Northeast

December 1987

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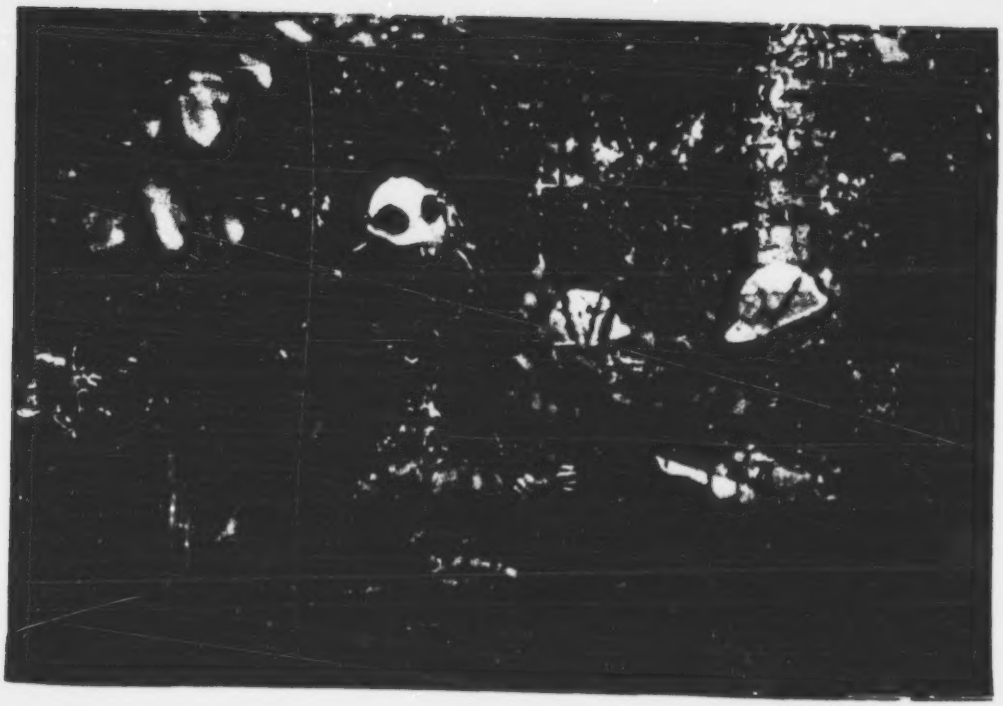
ISBN 0-88838-905-1



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PREFACE

This report is the product of six months of intense research into the forest industry labour practices in north-eastern New Brunswick. Four public hearings were held and some 30 briefs heard. A large number of private hearings with employees, employers and government agencies were also held.

The Task Force visited many of the woods operations in the study area and saw first-hand the work and living conditions.

The guiding principle of the Task Force throughout the the study was that of acheiving consensus. This need for consensus determined the method used to summarize findings and recommendations. The structure of this report was, therefore, influenced more by the need to reach a consensus in the short time alloted to the task force than by structures normally used.

The Task force would like to express our appreciation to the persons who shared their thoughts, concerns fears and their, often delicate, personal situations. The findings and recommendations in this report offer some interesting and positive opportunities for all concerned.

The observations, opinions and recommendations presented here are shared by all the members of the Task Force.

William Butler

Lévis Roy

Gaston Damecour

Pierre Zundel

Clarence LeBreton

EXECUTIVE SUMMARY

1. An important component of the Task Force's work was that of assembling data on earnings, costs and duration of employment for woodsworkers. Confidential questionnaires were designed and used in an interview format. All interviews involved more than one member of the Task Force.

The costs of practicing the profession of woodsworker are approximately $125 per week over and above the costs most of us incur. The fixed costs are sensitive to duration of employment which is low due to the availability of labour.

Travel is a major cost component which, when it becomes excessive, forces the worker to consider temporary lodging near the work site.

Most costs are borne by the woodsworker with after tax dollars. The exception to this is the owner / operator of a skidder who can cover expenses with pre-tax earnings. The Task Force's survey indicates that most units are not providing any financial return to the owner.

2. The level of earnings and of certain costs are related to professionalism.

The rates paid varied significantly between contractors not working for licensees and unionized licensee operations. The low-end of the range represented approximately 70% of the unionized rates at Consolidated Bathurst Inc.

3. The influence of Unemployment Insurance on labour practices is very obvious and leads to fraudulent "arrangements" between certain workers in need of work and certain employers. The most common discrepancies caused by these "arrangements" are between actual earnings and insurable earnings, and between actual weeks worked and insurable weeks. The Task Force's

findings set the weeks worked at approximately 15 and the earnings at slightly less than those figures provided to the Task Force by the Unemployment Insurance Commission. A summary of data on woodsworkers from the Unemployment Insurance Commission (1986) follows:

Gloucester County -

67% worked between 10 and 13 weeks.
79% earned in excess of $351 per week.
The average wage was $425 per week.
70% were unemployed for 27 - 39 weeks.

Northumberland County -

75% worked between 10 and 13 insurable weeks.
99% earned in excess of $351 per week.
The average wage was $428 per week.
56% were unemployed for 14 - 26 weeks.
40% were unemployed for 27 - 39 weeks.

4 . The non-monetary issues are often linked to monetary items. For example, living accommodation in "batch" camps is linked to travel distance and time spent travelling both of which are related to costs and earnings.

5. Only one batch camp group was located near the Nepisiguit license on private land to avoid regulation. Several batch camps were found near and on the Miramichi and Kent licenses.

A short period of employment and low net (after expenses) earnings, do not permit the acquisition of suitable accommodation.

6. Methods of payment and scaling were examined and were found to vary. The licensees and some of their contractors use a very straight-forward approach in their payment and scaling practises.

However, as we distance (in authority and responsibility) ourselves from the licensees, the fraudulent practises become more prevalent. Scaling for the purpose of remuneration of woodsworkers is not necessarily done by a licensed scaler.
In the Miramichi, where scaling is often carried out at

the mill, there is no opportunity for the woodsworker to verify the scalers report (scale bill). The Task Force heard few complaints about the system, however, the need to be able to correct errors was expressed.

7. The size of the labour force available is conservatively estimated at twice that required to harvest the necessary volumes over a reasonable period of employment. The over-supply of labour is therefore very sensitive to changes in technology both inside and outside of the region. Strikes, plant closures and out of region workers seeking employment in the Northeast all have noticeable effects on the availability of woods labour.

8. Due to high costs associated with woodswork, and rates that do not reflect these costs, temporarily moving to other regions in search of employment is not profitable. Workers who are making payments on a piece of equipment or who do not have enough insurable weeks will venture out of the region.

9. The employers include all enterprises involved in the wood supply system for a given mill. The trend toward contracting out distances (authority and responsibility) the logging operations from the end user (mill). When contracting occurs, there is a transfer of risk and responsibility. This distancing phenomenon is strongest within the sub-licensee group.

10. The employers in the Nepisiguit region appeared to be more independent and open to discussing issues with the Task Force. The woodsworkers in the same area were very open and frank during interviews. Several woodsworkers described a very positive working relationship with their employer while others did not. The New Brunswick Woodsworkers Association (NBWA) has been an active intermediary between workers and employers during the 1987 season.

11. The employers in the Miramichi were essentially reluctant to discuss matters with the Task Force. The contractors who did discuss matters openly displayed the trademarks of professionalism. The workers in the same area were generally more reluctant during interviews. At several batch camp sites the workers were very fearful of being involved in the interview process.

12. The contractors in both areas varied in the degrees of professionalism. What surprised the Task Force were the low volumes per contractor and the short duration of the harvesting operations. In some cases the scale of operation was suitable, in others the size prohibited any extras such as improved road maintenance, or any form of infrastructure.

13. We examined the economic development in the region and found that fisheries and infrastructure appeared to have received most of the attention. All signals pointed to a need for a diversified economy and employment base.

14. The dependence on Unemployment Insurance in the area is well established and forms one of the obstacles to economic development. The need to move gradually towards a lesser dependence on government funding must be stressed. Based on a change to a meaningful period of employment in the forest sector (without any technological change), there is a need for at least 1000 real jobs.

15. The need for a professional approach to employment in the forest sector is crucial if we are to consider woodswork as a trade. The current over-abundance of workers (of all backgrounds) seeking seasonal employment in the forest sector combined with the make-work projects, have labeled woods and silviculture work as low paying and work of last a resort.

16. Modernization, particularly in the fisheries sector, has taken place and has displaced workers. The majority of the new welfare caseload is fisheries based. The need to coordinate the modernization and the human resource planning for displaced persons is real. Any modernization in the forest sector adds to

the already overabundant labour supply, and is the cause of much unrest among woodsworkers.

17. The forest sector can develop suitable employment through silviculture and increased flexibility in the integration of harvesting and silviculture. Currently the only silvicultural treatments considered are those for which rates have been set. The current rate structure does not compensate for harvesting practices that remove or reduce the need for silvicultural intervention. Most of these special harvesting practices are labour intensive and can be effective in dealing with an anticipated shortage of wood.

18. The most significant impact on the labour force would be the widespread use of an optimum duration of employment. The Task Force analysis compares four scenarios, the first being the current situation, and the second being one of optimum duration of employment without changing the harvesting systems in place.

19. The working conditions of non-unionized workers justify the need for some form of woodsworker representation.

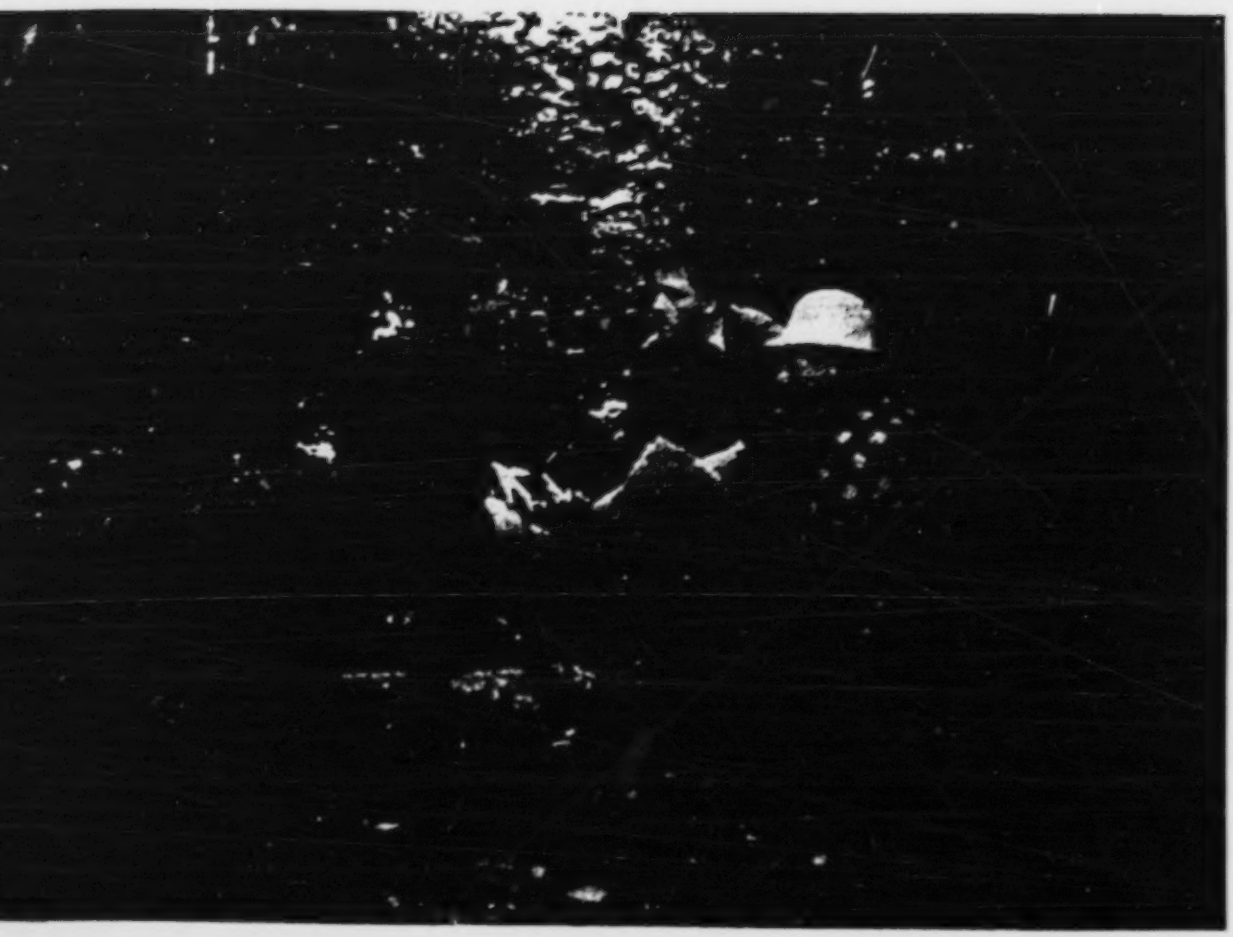
20. Due to the economic dependence on government assistance, any corrective action should be undertaken gradually.

21. The need to identify who is professional and who could become professional with training is underlined as one of the solution areas. The certification of workers and contractors offers some significant advantages for all concerned. The professional woodsworker who is skilled and prepared to work would not encounter unqualified persons or contractors. The contractor would have an assurance that the certified professional woodsworker will have the necessary skills to do the work.

22. The participation of all agencies, associations, employers and woodsworkers is essential in implementing most recommendations. There have been ample situations where mandates overlap or even create loopholes rendering current legislation powerless.

To deal with overlaps and voids the Task Force recommends that a "Supervising Agency" be temporarily appointed to implement the recommendations of this report.

INTRODUCTION



1. INTRODUCTION

In June of 1987, demonstrations were held in Bathurst, New Brunswick by woodsworkers unhappy with labour practices in the northeastern part of the Province. In the wake of this unrest, the Department of Labour and the Department of Natural Resources and Energy joined to assemble a Ministerial Task Force to look into the situation. The Task Force was mandated to examine the logging labour practices in the forest industry in the north east. The terms of reference were the following:

1) Study the pay, benefits and costs of woodsworkers.

2) Study non-monetary work conditions and make recommendations based on its findings.

3) Estimate production from each forest harvesting method. Estimate the work force currently required in the industry and the work force required if mechanization were to follow its most likely course.

4) Examine the issue of alternate employment and training needs for workers displaced.

5) Make recommendations for the short and long term based on the findings and observations.

6) Present an interim report to the minister by July 31, 1987 and a final report.

The members of the Task Force included the following:

William Butler, President of Dead River Ltd.
Registered Professional Forester

Gaston Damecour, Consultant, Agfor Ltd.
Registered Professional Forester

Clarence Lebreton, Woodsworker
President Local 154, Canadian Paperworkers Union
(Miramichi Pulp and Paper, Woodlands Division)

Lévis Roy, Woodsworker, Licensed Scaler
President of the Executive Committee of New
Brunswick Woodsworkers Association (NBWA)

Piere Zundel, School of Forest Science
Universite de Moncton, Edmundston Campus
Professor of Forest Harvesting and Economics

The Task Force began by adopting a work plan and agreeing that its conclusions and recommendations would be based on facts observed and agreed to by all the members. The consensus approach was judged necessary in a group representing such a broad range of backgrounds and interests if the mandate was to be accomplished.

The area in which the Task Force was mandated to do its work included the Acadian Peninsula, the counties of Gloucester and Northumberland and those portions of the forest licenses which lie north of the Renous Highway and east of Beresford (Figure 1).

As part of the work plan, four public hearings were held to solicit the views of interested parties. A large number of private meetings were held. Field visits to harvesting operations and camp facilities were carried out in the three licenses of the study area as well as in other parts of the Province and Ontario (to provide a standard of comparison).

The Task Force studied work and living conditions and examined the roles of various governmental agencies. The Task Force met with officials of the Worker's Compensation Board, the Unemployment Insurance Commission, the Department of Labour, the Department of Health and Community Services, the Department of Natural Resources and Energy and the Department of Advanced Education and Training. The task force also met with

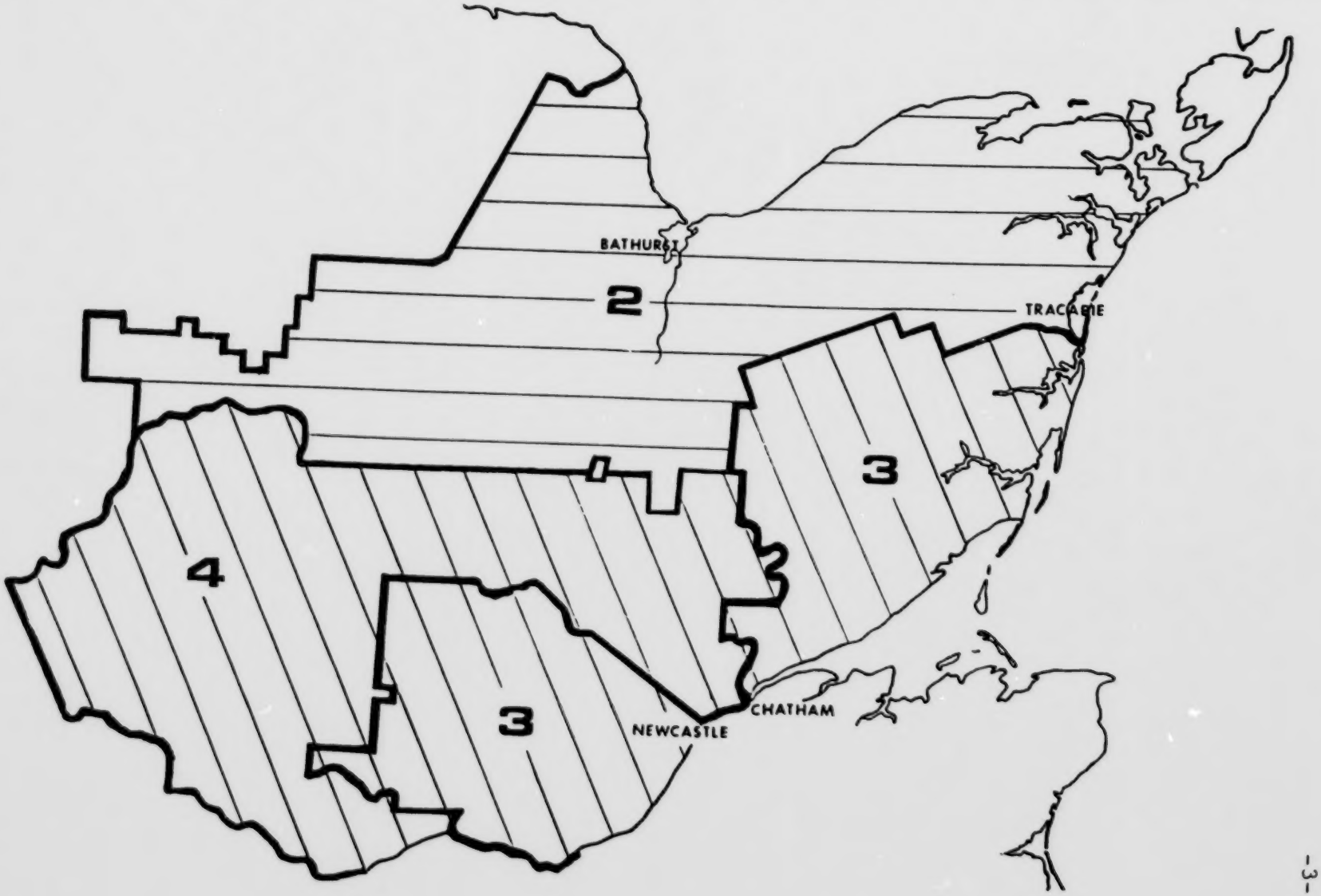


Figure 1. Map of Study area. Comprises the geographic boundaries of Crown Timber Licences 2 and parts of licences 3 and 4 North of the Miramichi River and North of the Plaster Rock-Renous highway.

employers, licensees, sub-licensees as well as the New Brunswick Forest Products Association.

A large number of analyses were carried out to assess human resource requirements in the various mechanization scenarios. In addition surveys and analyses were carried out to assess pay and costs of woodsworkers.

It is clear that the employment situation in the study area, combined with federal and provincial legislation have had and continue to have a significant impact on work and living conditions in the northeast. The effects of the Unemployment Insurance system and the 1982 Crown Lands and Forests Act are noteworthy.

It is also agreed that existing legislation and regulations are not consistently applied. Improvements in this situation could lead to considerable betterment in conditions in the forest industry.

While many of the conclusions and recommendations made in this report may be of broad provincial applicability, it would be imprudent to extend them beyond the study area treated without further consideration or adaptation.

The report deals with woodsworkers, employers and the federal and provincial governments. Woodsworkers are divided into unionized and non-unionized categories. Employers were included because they employ woodsworkers. Employers also include wood-using industries because of the influence which they exert on forest contractors who employ the majority of the woodsworkers in the study area. Federal and provincial governments have both played major parts in the gradual decline of employment conditions in the area.

Task Force members have seen first-hand the problems dealt with in this report. They hope that all of the players in the process of bringing solutions to the problems of the current situation will react positively to the findings and recommendations which are set forth in this report.

1.1 INDUSTRY DESCRIPTION

1.1.1 Competition in International Markets

The wood produced by woodsworkers generally takes the form of pulpwood, studwood or sawlogs. The three products normally derived from these raw materials are pulp (or paper), stud lumber and dimension lumber, respectively. The bulk of these products are sold on international markets. This implies that the forest industry derives the majority of its revenues on international markets where it is subject to competitive forces.

In New Brunswick, according to Statistics Canada, 70% of the forest products manufactured are exported. This represents 40% of the total exports from the Province.

1.1.2 Objectives of Forest Industry Companies

The forest industry is sensitive to costs and motivated by profits. The need for profits and a return on investments is a fundamental driving force behind all industry.

Wood fibre is the raw material of the forest industry. A woodlands manager is responsible for ensuring the supply of wood fibre to the mill at the best possible price, while respecting the laws of the society in which the industry is based.

1.1.3 Historical Perspective on the 1960's

There has traditionally existed a climate of tension and confrontation between the forest industry companies and workers who tried to form collective bargaining units. This climate remains today. In the study area, unions began to make inroads in the woodlands operations in the early sixties.

The companies were reluctant to see the workers organized into collective bargaining units since this meant relinquishing a portion of the control which they held over the workers. The need to negotiate with unions reduced the authority and power which had been advantageous to the companies prior to the advent of unions.

1.1.4 Tactics used in the Fifties and Sixties

The companies offered significant resistance to unionization. Several tactics were used to discredit unions. In some cases, subsequent to the signing of union agreements, non-union workers were offered better settlements than their unionized counterparts. This had the effect of casting doubts on the effectiveness of the collective bargaining process. (This tactic was also used in recent months in the study area.)

The group became aware that the companies also applied pressure on contractors to prevent them from signing agreements reached with the NBWA. One contractor in the Miramichi region lost his contract after his workers were successfully organized by the Canadian Paperworkers Union.

Several briefs presented by woodsworkers indicated that a blacklist exists which prevents the hiring of workers involved in unionization activities or who complained of working conditions. The Task Force is aware of one case in which a worker who was involved in a union certification effort in the Miramichi area (of the same contractor whose operation was unionized) has been unable to find work on Crown land this year.

1.1.5 Government Subsidies for Mechanization / Modernization

Over the last twenty years, the mills in both Bathurst and Newcastle have obtained government subsidies in order to modernize their plants. These modernizations have had a direct impact on employment since not all of the displaced workers were able to find work in the modernized mill.

Mechanization in the woodlands would have a catastrophic effect given the current lack of alternate employment. The forest industry currently gives little consideration to the social dimension of the modernization of its operations in the region.

1.1.6 Means Available to Companies to Settle Labour Conflicts

Companies have at their disposal powerful means to deal with conflicts with workers. The use of the judicial system (eg. injunctions granted to restrain the activities of labour leaders) is very costly and, therefore, a less accessible tool for those without large financial resources. Injunctions of the type issued in the dispute between Consolidated Bathurst Inc. and the NBWA have the effect of imputing unproven guilt on the targeted individual and of hampering his fundamental right to freedom of expression.

The Task Force believes that the best way of solving disputes is constructive dialogue between the parties concerned. This opinion was also shared by some of the woodsworkers who presented briefs:

> "I would ask the government, the companies concerned, contractors, etc. that we begin to agree to recognize each other instead of trying to be the ultimate winner in the conflict. Each of us needs to put a little water in his wine."
>
> Brief presented by Alonzo St.Pierre,
> Woodsworker
> July 10, 1987,
> Bathurst, New Brunswick.

THE WOODSWORKERS

2. WOODSWORKERS

2.1 THE WORKERS

The unionized woodsworkers are a minority among woodsworkers in the forest industry in the study area. These workers are, to some degree, protected from the forces of supply and demand in the labour market. The non-unionized worker is, however, subject to all of these forces.

The accessability of a range of harvesting systems (from conventional to fully-mechanized systems) and a number of sources of fibre (eg. sawmill chips, private woodlots) has a direct impact on the employment and working conditions for the woodsworker.

2.2 CHANGES IN THE LABOUR FORCE

The supply of woods labour is affected by changes both within and outside the forest industry in the region. The forest industry tends to attract a large labour supply since it is a seasonal employer which offers wages insurable under the Unemployment Insurance Commission (U.I.C.).

The size of the labour force and the the effects of changes in employement and harvesting methods are discussed in section 4.4.

2.2.1 Modernization / Mechanization

Any form of modernization in any sector will have an effect on the availability of labour.

The worker who is laid off will generally seek employment in the same sector. If this is impossible, a change of trade or sector will be considered (whether temporary or permanent). In the current economic context, the displaced worker can be forced to leave the

workforce and become a burden to society. There is evidence that this has taken place in the fisheries sector, where large numbers of workers were laid off following plant modernizations.

2.2.1.1 Other Regions

Modernization and mechanization in other regions has caused many workers to return to the regions of their birth and to join the local labour market.

If a worker is laid off away from his home, he has a choice of venturing farther afield or returning in search of employment. A lack of suitable work opportunities could then force a change of sector (permanent or temporary). Many woodsworkers from northeastern New Brunswick who worked in the South of the Province, or elsewhere in Canada, are currently facing this situation.

The impacts of mechanization in one sector will not necessarily be felt directly in another sector. The effects are often indirect and ripple through the economy causing a large number of adjustments. These adjustments can include changes in the type of work, the location, the employment length and the working conditions.

Workers from the Northeast who were laid off in the South following the mechanization of logging operations, and who have returned to the Northeast, may not have been able to obtain the same working conditions.

Woodsworkers who come to the Northeast from other regions to seek employment may not be welcome. The local labour force has demonstrated in protest of the influx of non-local labour to the woods on several occasions during the last ten years.

The mechanization of logging operations outside the Northeast has increased the size of the traditional local labour force.

2.2.1.2 Other Sectors in the Northeast

Any layoff or strike in the study area affects the seasonal labour market.

2.3 SIZE OF THE LABOUR MARKET

The over-supply of labour in the study area puts pressure on the seasonal labour market. During certain times of the year, the supply of labour may exceed demand in the traditional seasonal industries such a fishing, forestry and tourism.

2.3.1 Lack of Employment Opportunities

In a region where the unemployment rate varies between a minimum of 25% and a maximum of 65% (in winter), it is reasonable to experience a general shortage of employment opportunities. The employment which is found in the region is generally of a seasonal, short-term nature.

During the summer and fall, the work period in the traditional seasonal industries, the labour supply is either sufficient or over-abundant. Once the needs of the industries have been satisfied or the minimum qualification period for unemployment insurance has been reached, the labour supply decreases in size.

This system functions reasonably well as long as the qualification requirements for unemployment insurance are met. As soon as the number of seasonal employment opportunities falls below the number of workers offering services, or the average period of employment falls below that required to qualify for U.I. or the work conditions become abusive, the system begins to collapse.

2.3.2 Lack of Mobility of the Work Force

At one time, workers were willing to relocate in order to find work of a more stable or financially attractive nature. It appears that, presently, U.I. payments are sufficiently large, in comparison with after cost pay rates, so as to discourage temporary relocation. The exception to this rule occurs when the qualification period for U.I. has not been reached, or when a financial need (such as making payments on a machine) forces a relocation. It should be noted that the working conditions, pay rates and costs associated with work in the woods do not currently encourage the worker to relocate temporarily to seek work.

Although there is a shortage of woodsworkers in the South of the Province, the working conditions, pay rates and costs of woodswork and relocation act as barriers to mobility.

2.4 CLIMATE

The current social context for woodsworkers includes high unemployment, a shrinking annual work period and a decreasing number of employment opportunities.

2.4.1 Lack of Job Protection

Ten years ago, the woodsworker could look forward to a thirty-week work period. Today he is part of a large group competing for the same seasonal work and can hope to work between ten and twenty weeks per year. He sees the opportunity to practice his trade shrinking or disappearing as a result of modernization both in and out of the forestry sector.

2.4.2 Professional Image

The image evoked by the term woodsworker (or "logger") today is one of a subsistence job or of a career of last resort. While this may be the case for a small number of workers, the majority of professional woodsworkers choose to work in the woods and would like to be proud of their trade.

The Task Force noted that a large group of workers is competing for work in the forest industry. While the majority of workers have been in the trade for a considerable period of time, others have only recently obtained employment and are awaiting an opportunity to return to some other occupation (eg. construction).

The following factors have contributed to the poor professional image of the woodsworker:

1) the lack of demand for woodsworkers

2) the financial difficulty involved in moving elsewhere for work

3) the high unemployment rate which affects seasonal professions

4) the lack of stable, durable employment

5) the public perception of woodswork as a last resort.

2.5 THE INTERESTS OF THE WOODSWORKER

2.5.1 Security of Revenue

Woodsworkers, like all other members of society, face a cost of living over which they exert little control. In New Brunswick, the poverty line for a family of four lies between $16,000 and $18,000 per year. The following sections deal with factors which affect the capacity of woodsworkers in the study area to meet their financial needs.

2.5.2 Earnings

Figure 2 shows the relationship between weekly earnings, daily production and the piecework rate paid to woodsworkers in trail-cut operations. The Task Force collected the data used in this section by using anonymous surveys completed by the woodsworkersduring interviews. The graph shows that the combination of a $23.50 per cord piecework rate and a production of four cords per day yields a weekly gross salary of $470. Before drawing conclusions regarding the pay of woodsworkers, two factors must be considered; firstly, the costs incurred in performing the work and, secondly, the length of the employment period.

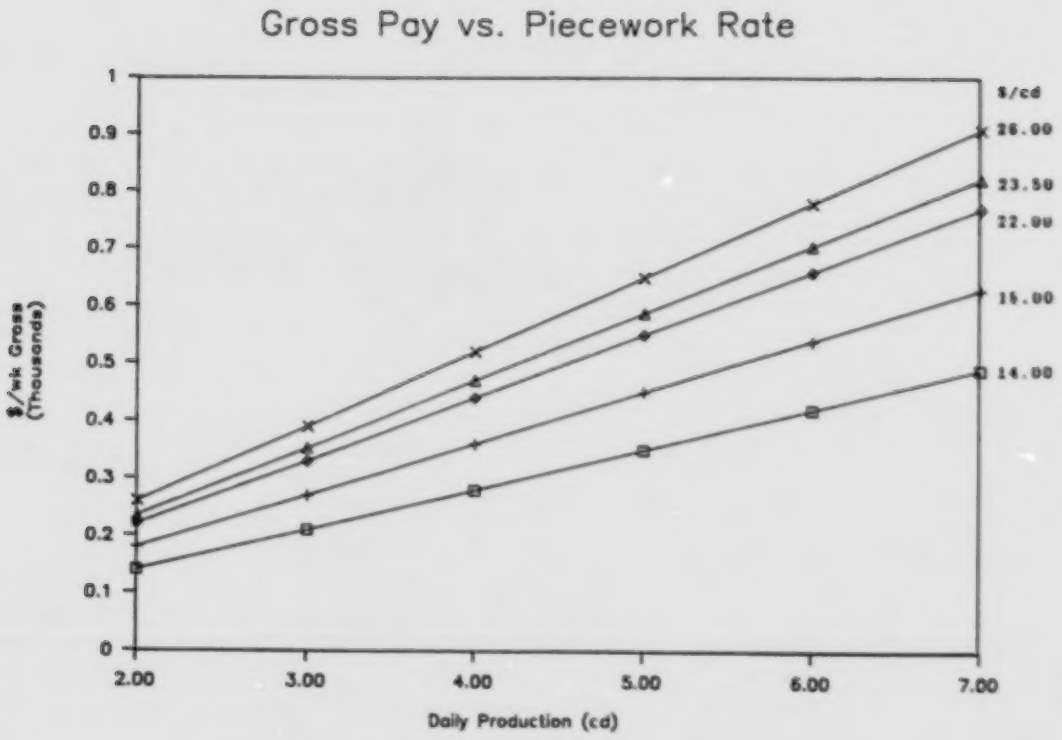


Figure 2. Gross pay versus daily production for a piecework trail-cut woodsworker. Numbers in right margin represent the piecework rate paid. The average conditions in the study area were a piecework rate of $23.50 per cord and a production of 4 cords per work day.

2.5.3 Costs of Woodswork

The weekly costs of woodsworkers were estimated using the anonymous surveys discussed in the previous section. The costs for a representative woodsworker employed in a trail-cut operation were approximately $125 per week. This does not include the costs of providing lodgings in the woods.

Figure 3 shows the gross earnings, after cost pay (net) and the unemployment insurance benefit payable based on the insurable earnings. It is evident from this graph that the costs of woodswork are significant. It is also noteworthy that at certain levels of production the after-cost pay is lower than the unemployment insurance benefit payable. Even at the average production of four cords per day, the after-cost pay does not greatly exceed the U.I. benefit. Any factor increasing costs (eg. the need to provide lodgings in the woods) will force the after-cost pay closer to the U.I. benefit.

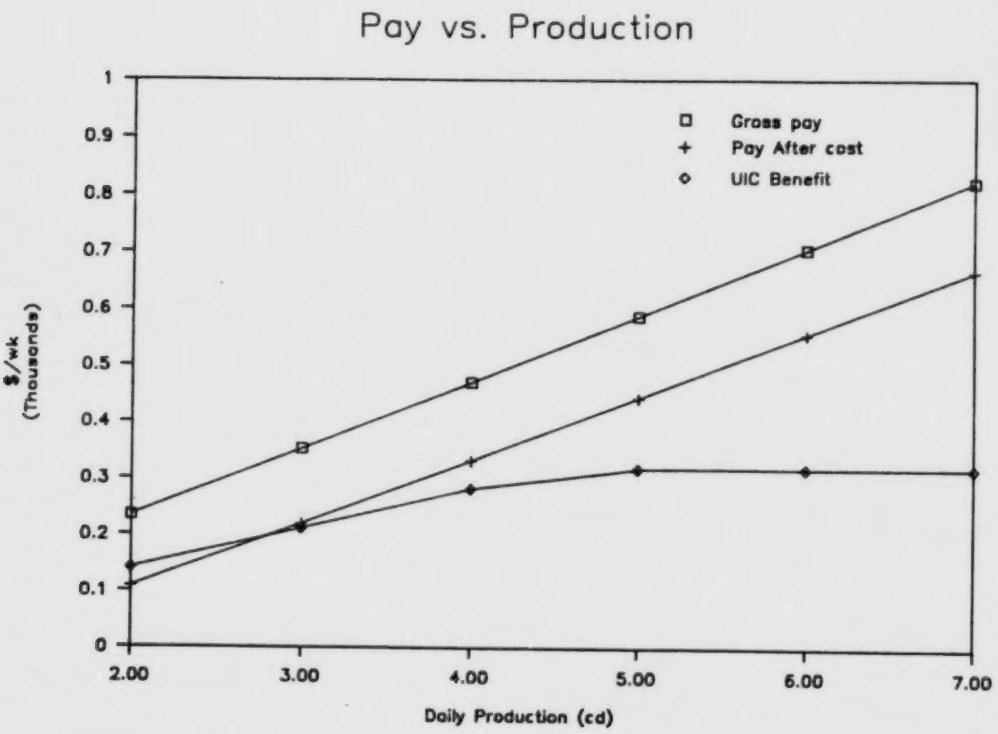


Figure 3. Gross pay, net earnings and U.I. benefits payable versus daily production for a piecework trail-cut woodsworker. Costs are based on no woods lodging costs and a daily travel distance of 50 kms.. Equipment costs were based on a confidential cost survey of workers in the study area. The piecework rate was $23.50 per cord.

2.5.3.1 Travelling Distance

The after-cost pay is inversely proportional to the travelling distance in cases where workers absorb the cost of travel to and from the work site (this is the usual situation in contractor operations in the study area). Figure 4 shows the effect of increasing the travelling distance on after-cost earnings. It should be noted that the after-cost pay, when distance is at its maximum of 130 kms, is well below the U.I. benefit rate. The effect of travelling distances between 30 and 130 kms may be interpolated from the graph.

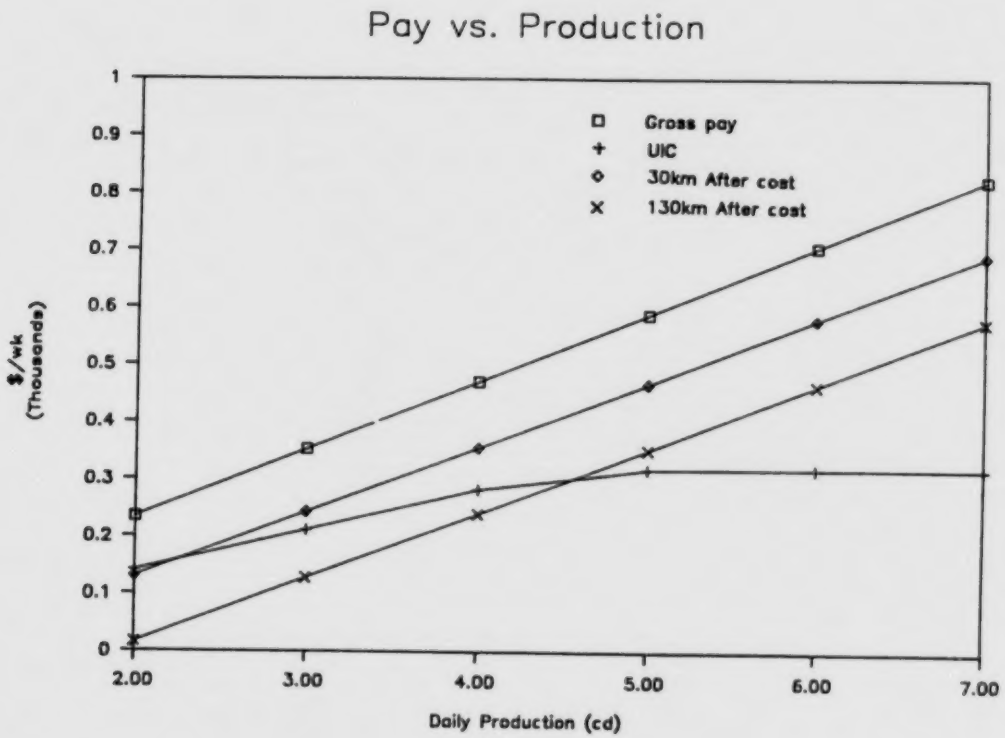


Figure 4. Effect of travel distance on net earnings versus daily production for a piecework trail-cut woodsworker. Travel costs were based on a rate of $0.23 per kilometer and two workers travelling together. The piecework rate was $23.50 per cord.

2.5.4 Working Conditions

2.5.4.1 Employment Period

Figure 5 shows the distribution of employment period for the counties of Gloucester and Northumberland as well as for the Province and for Nova Scotia. Table 1 summarizes the woodsworker's annual income, expenses, taxes and premiums.

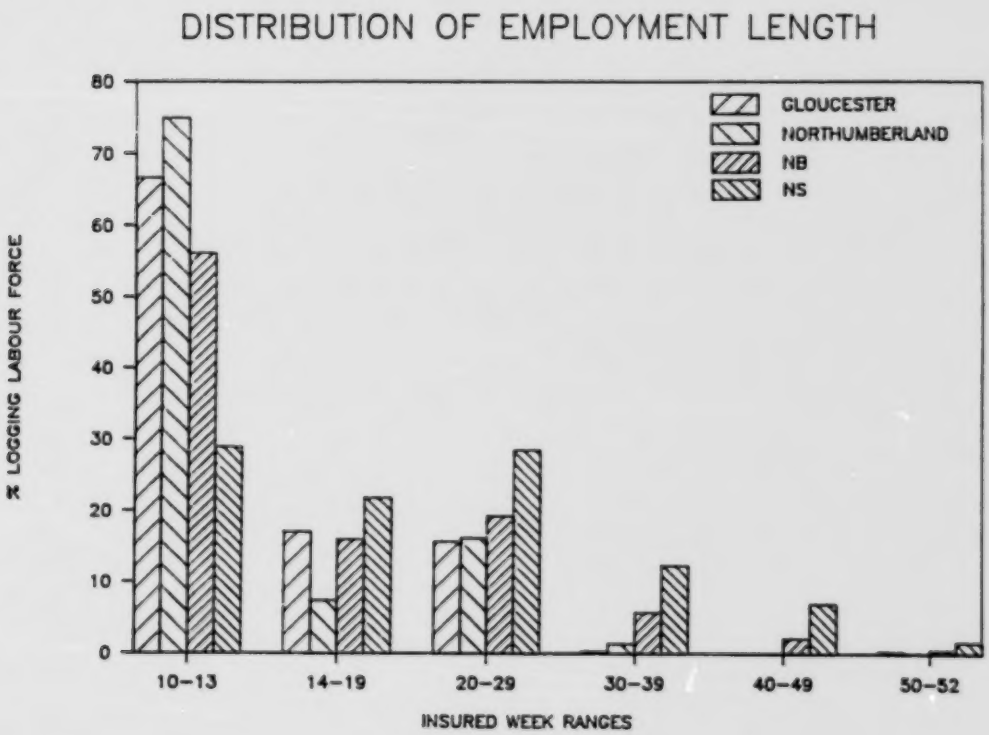


Figure 5. Employment period for woodsworkers, by region, according to Employment and Immigration Canada, Unemployment Insurance Commission. These data are based on reported insurable weeks of work for workers with open claims.

The data gathered by the Task Force indicate that the information in Figure 5 (from Employment and Immigration Canada) may slightly underestimate the employment period. This error is mainly due to the widespread

Table 1. Displays the effects of the level of weekly earnings, the duration of employment and the costs associated with woodswork on annual net revenues (after taxes and expenses). The assumptions include a family of four with one wage earner travelling 50 kms per day to the work site.

WOODSWORKER EARNINGS & CONTRIBUTIONS 1986

INSURABLE WEEKS WORKED 10
WEEKS ON UIC 40

EARNINGS $/WEEK	GAINS /YEAR	$UIC /WEEK	$UIC /YEAR	$GROSS/YR	TAXES PAID	$UIC -TAXES	COSTS	$/YEAR -TAXES -COSTS
$350	$3,500	$210	$8,400	$11,900	$705	($7,695)	$950	$10,245
$450	$4,500	$270	$10,800	$15,300	$1,650	($9,150)	$1,050	$12,600
$550	$5,500	$297	$11,880	$17,380	$2,260	($9,620)	$1,100	$14,020
$650	$6,500	$297	$11,880	$18,380	$2,565	($9,315)	$1,300	$14,515
$750	$7,500	$297	$11,880	$19,380	$2,895	($8,986)	$1,600	$14,886

INSURABLE WEEKS WORKED 20
WEEKS ON UIC 30

EARNINGS $/WEEK	EARNINGS /YEAR	$UIC /WEEK	$UIC /YEAR	$GROSS/YR	TAXES PAID	$UIC -TAXES	COSTS	$/YEAR -TAXES -COSTS
$350	$7,000	$210	$6,300	$13,300	$1,086	($5,214)	$1,900	$10,314
$450	$9,000	$270	$8,100	$17,100	$2,179	($5,922)	$2,100	$12,822
$550	$11,000	$297	$8,910	$19,910	$3,004	($5,906)	$2,200	$14,706
$650	$13,000	$297	$8,910	$21,910	$3,666	($5,244)	$2,600	$15,644
$750	$15,000	$297	$8,910	$23,910	$4,294	($4,616)	$3,200	$16,416

INSURABLE WEEKS WORKED 30
WEEKS ON UIC 20

EARNINGS $/WEEK	EARNINGS /YEAR	$UIC /WEEK	$UIC /YEAR	$GROSS/YR	TAXES PAID	$UIC -TAXES	COSTS	$/YEAR -TAXES -COSTS
$350	$10,500	$210	$4,200	$14,700	$1,470	($2,730)	$2,850	$10,380
$450	$13,500	$270	$5,400	$18,900	$2,741	($2,659)	$3,150	$13,009
$550	$16,500	$297	$5,940	$22,440	$3,841	($2,099)	$3,300	$15,299
$650	$19,500	$297	$5,940	$25,440	$4,794	($1,146)	$3,900	$16,746
$750	$22,500	$297	$5,940	$28,440	$5,761	($179)	$4,800	$17,879

INSURABLE WEEKS WORKED 40
WEEKS ON UIC 10

EARNINGS $/WEEK	EARNINGS /YEAR	$UIC /WEEK	$UIC /YEAR	$GROSS/YR	TAXES PAID	$UIC -TAXES	COSTS	$/YEAR -TAXES -COSTS
$350	$14,000	$210	$2,100	$16,100	$1,861	($239)	$3,800	$10,439
$450	$18,000	$270	$2,700	$20,700	$3,297	$597	$4,200	$13,203
$550	$22,000	$297	$2,970	$24,970	$4,758	$1,788	$4,400	$15,813
$650	$26,000	$297	$2,970	$28,970	$6,042	$3,072	$5,200	$17,729
$750	$30,000	$297	$2,970	$32,970	$7,438	$4,468	$6,400	$19,132

INSURABLE WEEKS WORKED 50
WEEKS ON UIC 0

EARNINGS $/WEEK	EARNINGS /YEAR	$UIC /WEEK	$UIC /YEAR	$GROSS/YR	TAXES PAID	$UIC -TAXES	COSTS	$/YEAR -TAXES -COSTS
$350	$17,500	$210	$0	$17,500	$2,256	$2,256	$4,750	$10,494
$450	$22,500	$270	$0	$22,500	$3,854	$3,854	$5,250	$13,396
$550	$27,500	$297	$0	$27,500	$5,583	$5,583	$5,500	$16,417
$650	$32,500	$297	$0	$32,500	$7,247	$7,247	$6,500	$18,754
$750	$37,500	$297	$0	$37,500	$9,071	$9,071	$8,000	$20,429

fraud aimed at increasing reported insurable income (which has the effect of increasing the benefits paid). The employment period is particularly important when workers must generate incomes to pay for the equipment which they have purchased. Since employees obtain not only revenues from work, but also personal satisfaction and social contacts, the duration is of additional importance.

"We are not interested in ten week projects, we have our pride. The woodsworkers are worthy of more than ten week projects, we want to continue participating in the development of our province by means of our services like any other tradesperson."

Brief presented by Ulysse Doiron
July 25, 1987
Paquetville, New Brunswick
Woodsworker Representing
Canadian Paperworkers Union, Local 154

2.5.4.2 Road Quality

The quality of roads leading to the work site was variable. Poor quality roads (Figure 6) will cause vehicles to wear out more quickly and increase the time required to reach the work site. Workers fatigued from long drives, over rough roads, will be less likely to work safely or productively. Difficult roads will also affect safety by increasing the time required to evacuate workers.

2.5.4.3 Scaling

Scaling is a means of measuring quantities of forest products. Provincial laws relating to scaling were designed specifically to deal with the collection of royalties on wood from Crown lands. They were not intended for measurement of production for the purpose of remuneration of woodworkers.

According to the policies of the Department of Natural Resources and Energy, the woodsworker has the right to receive an official report on the scaling of his production, a "scale bill", on Crown land. Although this right was generally observed on Consolidated Bathurst Inc. limits, this was not necessarily the case in the Miramichi area.

Figure 6. Poor access road in a Miramichi area contractor operation

The Scalers Act stipulates that the measurement of wood for the purposes of collection of royalties from wood on Crown land must be performed at the mill or in the work area by a licensed scaler. The measurement must be accurate (eg. within 2.5% for some kinds of scaling). If the measurement appears to show too great a deviation, a verification can be required.

The possibility of obtaining such a verification is as necessary in the case when scaling is performed for the purpose of remuneration of workers as when it forms the basis for the collection of stumpage. Workers have in the past rarely requested a verification, which must usually be carried out at their expense, for fear of reprisals.

On certain operations the wood is scaled for the first time when it reaches the mill. In this situation a verification of scaling at the request of the worker is impossible since the wood is added to the mill yard inventory immediately after scaling.

There is no reason why the methods and standards applied to scaling for the collection of royalties from wood on Crown land cannot be applied to scaling for the purposes of remuneration of woodsworkers.

2.5.4.3.1 Scaling on Private Land:

Wood cut on private land is normally scaled at the mill for the purposes of payment of the contractor and of the landowner's stumpage. The woodsworker is usually paid on the basis of the contractor's estimate of production. Laws currently in force do not require that scaling on private land be carried out by a licensed scaler.

2.5.4.4 Safety in the Work Place

The level of safety in the workplace varied considerably between operations. There was, however, a general lack of supervision with regard to work methods and the use of personal safety equipment. A lack of training was evident in some operations.

2.5.4.5 General Climate in the Work Place

There was a general climate of fear among non-unionized workers in the Miramichi area. The lack of an established, explicit and easily accessible mechanism for the resolution of labour disputes and to ease indutrial relations in non-union contractor operation was partly responsible for this phenomenon. This fear was demonstrated by the unwillingness of many Miramichi area woodsworkers to fill out anonymous cost questionaires. This unwillingness was not encountered in the Nepisiguit area.

The law dealing with fair labour practices applies only rarely to woodsworkers since the period of employment is commonly less than the six-month employment probation period after which the provisions of the law apply.

2.5.4.6 Lodgings in the Woods

It is necessary to distinguish between three groups of workers when dealing with the issue of woods lodgings:

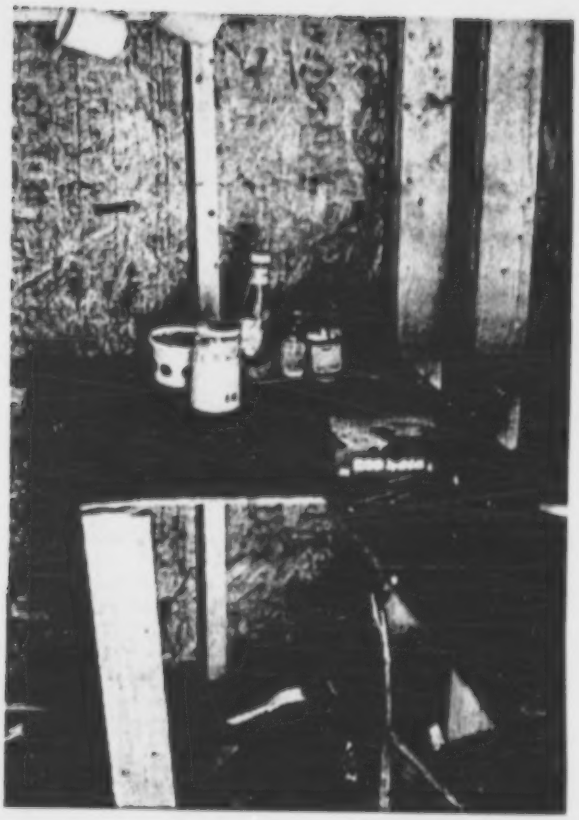
1. Workers area who live in camps provided by their employer.

2. Workers who commute to work daily.

3. Workers who provide themselves with lodgings in the woods.

Living conditions are satisfactory for the first group. The second group lives at home and, therfore, has the living conditions to which it is accustomed. Conditions do, however, deteriorate when commuting distances become unreasonable. The reasonable limit is one hour of travelling in each direction.

Workers who provide their own lodgings in the woods are in the most difficult position. The quality of lodging facilities varies between a fully-equipped travel trailer and flakeboard shacks (Figure 7).



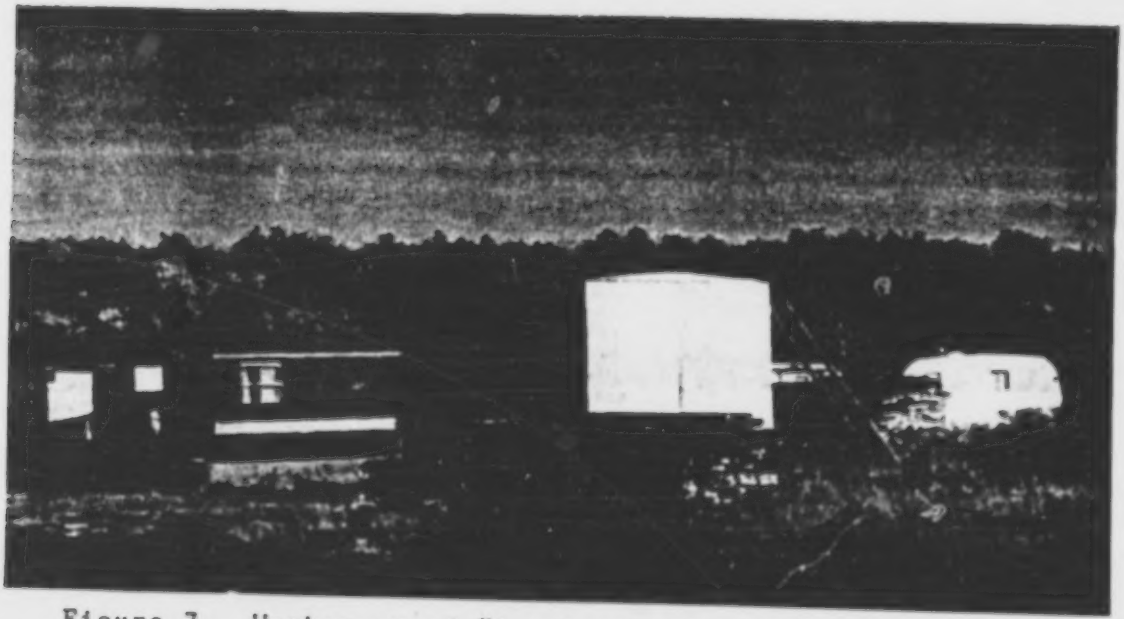


Figure 7. Worker-owned "batch camps" in the Miramichi area. This camp was removed from Crown land to a private site the day before the Task Force visited the site.(See next page)

In several cases the following facilities were not available in the "batch camps":

1. Toilets
2. Running water (hot or cold)
3. Showers
4. Refrigeration
5. Clothes drying rooms
6. Heated living quarters

The costs of food and supplies is approximately $50-60 per week. The costs of the trailer or living unit vary between $100 and $5,000. The costs of moving and installation of the living unit at the beginnning and end of the employment period must also be borne by the worker.

Batch camps have no place in modern forest harvesting operations. They degrade the worker forced to live in them, they reduce the productivity and, with very few exceptions, they violate provincial laws on occupational health and safety and on standards for woods lodgings. These laws are administered by the Occupational Health and Safety Commission, the Department of Community Health and Social Services and by the Department of Natural Resources and Energy.

2.5.5 The Advent of Modernization

The possibility of using mechanized harvesting systems (which are cost-competitive) has created a ceiling price for conventional harvesting systems. If labour costs rise or productivity decreases, the costs of conventional harvesting systems may exceed those of mechanized systems. In this situation, economic pressures will have a tendency to force mechanization. Harvesting costs are maintained as well-kept secrets by the forest industry. Since workers are not usually aware of the relative costs of the various harvesting options, the threat of mechanization may be used a tool to "help" negotiations.

2.6 FACTORS INFLUENCING WOODSWORKER EARNINGS

2.6.1 Quality of Logging Site

The volume of wood per unit of area varied considerably from one site to another. Volume has a direct, although variable, impact on the earnings of the woodsworker since it affects his productivity. A sample of the volumes was taken by the Task Force in some operations in the study area. The volume recorded (in cords per acre) are listed below:

Contractor Code	Volume (cd/acre)
A	18.6
B	19.2
C	20.2
D	31.5
E	33.0
F	34.7

The woodsworker cannot maintain the same productivity in difficult terrain as he would in more moderate conditions. There is no provision for an adjustement in the piecework rate in most of the operations in the study area. Such adjustment mechanisms exist in other areas of the province.

2.6.2 Organization of the Operation

Some contractors plan their operations in a manner which facilitates the various phases of the work. One example of proper planning is the placement of landings at the bottom of hills, which avoids the productivity loss which comes with uphill skidding of wood. Another example is cutting wood close to town in winter and farther away during summer when roads are less difficult to negotiate. In sharp contrast to this, some contractors seem ill disposed to plan or supervise their operations, with concomitant losses in efficiency for all parties involved in the operation.

2.6.3 "Batch Camps"

The physical demands placed upon the woodsworker by his trade require him to receive proper nutrition if he is to maintain his health and productivity. "Batch camps", most of which are without basic cooking, refrigeration and washing facilities, do not provide the opportunity to obtain the required nutrition or rest. By late fall Batch camps no longer provide suitable accomodations for woodsworkers. This does impact on the duration of employment.

2.6.4 Inaccurate scaling

Some contractors measure wood on Crown land for the remuneration of woodsworkers even though they are not licensed scalers. This form of inaccurate estimation of wood often serves as a basis for periodic "advances" to employees. Occasionally the "inaccurate" estimation is the only and final basis for payment of wages. The system of "advances" with periodic real scaling may be acceptable if the period between the estimation for the calculation of advances and real scaling and does not exceed two weeks.

2.6.5 Piecework rate

The non-unionized woodsworker is paid a lower piecework rate than his unionized counterpart. The former does not have the same bargaining power and is often forced to accept whatever price is offered to him by the contractor. In general, the non-union worker earns a basic wage equivalent to 70% of his unionized counterpart (who, in addition to wages, is also entitled to fringe benefits).

THE EMPLOYERS

3. EMPLOYERS

3.1 OBJECTIVES

The primary objective of the private sector, including the forest industry, is to generate profits and yield a return on investment.

The wood using companies of the forest industry evaluate their raw material supply system first on its stability and reliability and second, on its cost.

3.1.1 Production

The primary concern is, therefore, to provide the mill with a reliable wood supply system. This concern over reliability has been, in the past, the cause of numerous changes in forest harvesting methods. Once security of supply is assured, the minimization of costs becomes the driving concern.

Reliability of wood supply may be defined as the capability to deliver desired amounts regularly and predictably. It is with these goals in mind that most of the forest industry has developed wood supply systems which depend on a number of different sources, some of which are listed below:

1. sawmill chips
2. wood produced for forest product marketing boards
3. wood produced by contractors
4. wood produced by company operations.

The third and fourth sources of wood include the use of a wide range of harvesting systems on both Crown land and company freeholds.
Provincial laws currently require that licensees reach an agreement with the forest product marketing boards before cutting any wood on Crown land. This stipulation gives the marketing boards a unique and powerful bargaining tool.

The availability of wood from various sources satisfies the needs of several groups to sell wood fiber, and provides security of wood supply and a lever that may be used in negotiations with each of the individual sources of wood.

3.1.2 The Best Possible Price

Seventy percent of New Brunswick forest products are exported. The forest industry is therefore subject to international market forces, including cost competition and fluctuations of national currency values.

The wood supply system must be both reliable and cost effective. In a supply and demand situation it is possible to drive the price down to a level where the reliability is put at risk or where the pressures created by the reduction in price cause the laws of the land to be broken by the various players in the system. The Task Force believes that this is currently the situation in the study area.

3.1.3 Risk Reduction and Transfer

The use of contractors has regained popularity in the forest industry since the late seventies. This trend has been witnessed in forest-based companies of all sizes.

Each contractor is an individual production unit performing all or part of the harvesting and transportation process at a fixed cost per unit of volume. This may improve the reliability and does increase the predictability of costs in the short term.

At its limit, the process of risk transfer involves the use of owner-operators. In this province, this system involves an operator who is paid as an employee (with all of the usual deductions) on a piecework basis. The machine is also paid on a piecework basis without

deductions and is treated as a small business owned by the operator. The owner-operator assumes all of the financial risk of purchase and maintenance. The majority of skidders and shortwood forwarders included in this system are old and at least partially amortized. In many cases the major financial risk relates to the costs of maintenance and operation. However when the work season becomes very short or when the machine has not been amortized, the importance of fixed costs may surpass those of maintenance and operating costs.

In an excerpt from the 1978 annual meeting of the Canadian Pulp and Paper Association, a forest industry manager explains the rationale which has driven much of the trend to contracting in the woodlands operations:

> " As far as I'm concerned, I'd like to see our woodlands 100% owner-operated. We get higher production per hour and if we have to shut down, as we did last year, we don't lose on amortization of the machines."
> (Pulp and Paper Canada, April 1978).

3.1.4 Responsibility Transfer

The trend toward contracting has caused the transfer of responsibilities for many facets of the forest harvesting operations to the contractor.

The Occupational Health and Safety Act permits no such transfer of responsibility of worker health and safety issues. Although the direct employer retains the primary responsibility, all those who benefit from the work are to some degree responsible.

There is a need to define more precisely and unequivocally the responsibilities of the parties involved.

3.2 Reliability of Supply

Earlier sections indicated that security of supply is of primary concern in wood supply systems and that this has led to the development of networks based on a number of sources of wood. It was also established that a number of forest harvesting systems are used in these networks to further diversify the supply base. The next two sections describe the raw material supply systems of each of the licensees in the study area.

3.2.1 Consolidated Bathurst Inc., Nepisiguit Licence

Figure 8 shows a breakdown of the raw material supply system for the Nepisiguit license of Consolidated Bathurst Inc.. Some 424,500 cubic metres are harvested on the license and another 229,230 cubic metres are supplied from the local forest products marketing board.

The wood on the Nepisiguit license is cut with two harvesting systems. The first is the tree-length system, which accounts for 57% of the total, and the second is the trail-cut system, which accounts for the remaining 43%. These are the only harvesting operations in the province (excepting those in the Kent license) which are not mechanized at all.

The wood supply is equally divided between three sources:

1. contractors employed by the licensee (six in total)
2. contractors employed by sub-licensees (eight in total)
3. company operations of the licensee.

3.2.1.1 Contractors

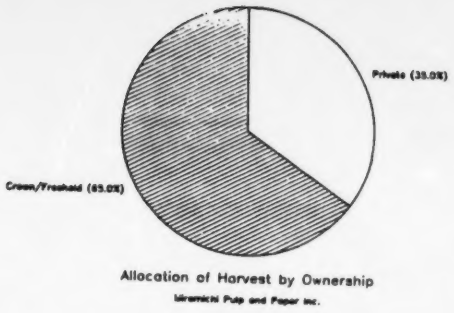
Based on the field visits undertaken by the Task Force, the caliber of the contractors employed in the industry may be classed as either "professional" or "marginal". Some contractors with whom the Task Force spoke expressed a fear of being tarred with the same brush as the marginal element. These contractors believed themselves to fall within the category of professional, a view with which the Task Force concurs.

Although some concern over reprisals was evident among the "professional" contractors of the Nepisiguit region, they were nonetheless frank in their discussions with the Task Force. The employees of these contractors had few complaints and described a working environment which seemed enviable.

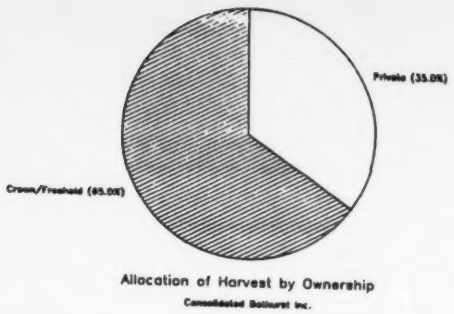
3.2.1.2 Unionized Workers

The woodsworkers employed in the unionized operations of Consolidated Bathurst Inc. are seasoned professionals. This labour force was developed over a period of

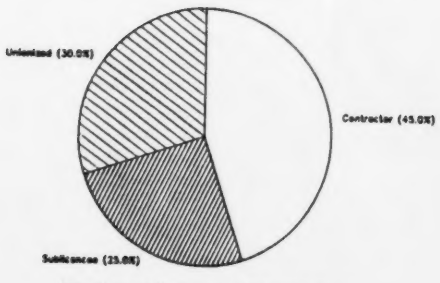
approximately fifteen years. All of the workers have significant seniority with the company and the average age of the workers exceeds the average for the region. These workers have working conditions which represent the summit for the region, according to other workers.



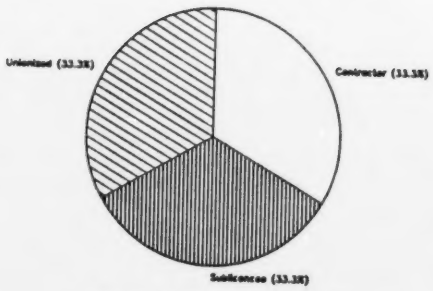
Allocation of Harvest by Ownership
Miramichi Pulp and Paper Inc.



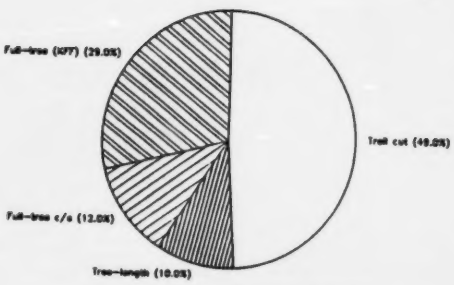
Allocation of Harvest by Ownership
Consolidated Bathurst Inc.



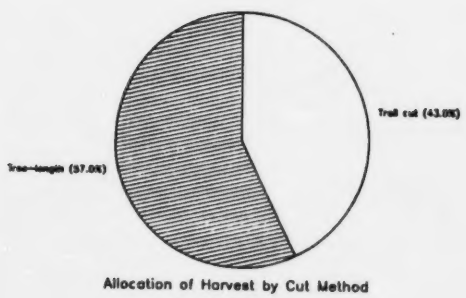
Allocation of Harvest by Operation Type
Miramichi Pulp and Paper Inc.



Allocation of Harvest by Operation Type
Consolidated Bathurst Inc.



Allocation of Harvest by Cut Method
Miramichi Pulp and Paper Inc.



Allocation of Harvest by Cut Method
Consolidated Bathurst Inc.

Figure 8. Description of the Consolidated Bathurst Inc. and Miramichi Pulp and Paper Inc. wood supply systems, in the Nepisiguit and Miramichi licenses respectively. Data were obtained from the companies, and from official operating plans filed with the Ministry of Natural Resources and Energy.

3.2.2 Miramichi Pulp and Paper Inc., The Miramichi Licences

Figure 8 shows a breakdown of the raw material supply system for the Miramichi mills of Miramichi Pulp and Paper Inc. and Acadia Forest Products. Approximately 874,970 cubic metres are harvested each year from the two Miramichi licenses. The remaining 260,000 cubic metres used are obtained from the forest product marketing boards.

There are four harvesting systems used to cut the 65% of the total supply which comes from the two licenses:

1. tree-length system (11%)
2. trail-cut system (49%)
3. full-tree system (12%)
4. mechanized full-tree and shortwood systems (29%)
   These harvesting systems are used to produce wood from three main sources:

1. contractors employed by the licensee (45%)
2. contractors employed by the sub-licensee (25%)
3. company operations of the licensee (30%)

Of the licenses in which some mechanization has occurred, the Miramichi licenses have the smallest proportion of mechanization. The company seems to have a predisposition to significantly increase the mechanization of its operations.

3.2.2.1 Contractors

The majority of contractors with whom the Task Force met seemed to harbor some fear. Only a few of the contractors, those showing the trademarks of professionalism, were open and franc in discussions. Employees in the Miramichi area were often unwilling to provide information for anonymous cost surveys. This attitude was in sharp contrast to the readiness exhibited in the Bathurst area. In many cases this attitude on the part of both employees and contractors appeared to be based on a fear of the consequences.

3.2.2.2 Lodging

The number of "batch camps" was greater in the Miramichi area than on the Consolidated Bathurst Inc. license, where only one camp was found (on private land). In the Miramichi, batch camps were located both on private land, to escape provincial regulations governing camps on Crown land, and directly on Crown land. The camp emplacements were rarely well organized or equipped with appropriate communal facilities. In many cases the camps were in a pitiful state. The quality of the batch camp facilities varied with the kind of employer, the duration of operations and the kind of mill which the contractor supplied. The worst examples were batch camps on sub-licensee operations.

Through the course of its investigations in the Miramichi, the Task Force became aware that changes had been made immediately prior to its field visits. In one case, a batch camp had been moved from Crown land to private the day previous to the Task Force's visit. In another case, a site visited by the Task Force on an impromptu basis had been cleaned up by the time a second visit was made. The company often seemed informed in advance of the Task Force's movements.

3.3 PRIVATE WOODLOTS

3.3.1 Forest Products Marketing Boards

When the Crown Lands and Forests Act of 1982 was passed, it stipulated that the wood on Crown land was to be considered a supply of last resort. As was previously mentioned, this legislation also required that wood using industries secure agreements with the marketing boards before permission would be given to cut on Crown land. A volume equivalent to the annual allowable cut (AAC) estimated for private land had to be purchased at the agreed price. The AAC for private land typically represents 30% of the mills' wood supply. This volume of wood is regulated under the Forest Products Marketing Act.

Wood from private land is an important part of the total wood supply and, therefore, is a significant source of employment in the area. Since private land operations are typically composed of small cut blocks spread over a wide area, they are more difficult to inspect and regulate. The Task Force believes that operations on

private land are more likely to be the site of abuses of workers and of the "system" than Crown lands.

It appears that virtually no regulation of these operations is currently in practise. It is evident that any comprehensive solution to the current problems with logging labour practices must encompass the private woodlots.

3.4 OPPOSITION TO WORKER ASSOCIATIONS

The Task Force noted a degree of openness to the Association of New Brunswick Woodsworkers in the Nepisiguit region. This attitude seemed to shared by a significant portion of the employers. This openness was replaced by a somewhat more antagonistic attitude in the Miramichi area.

On several occasions in the months subsequent to the demonstrations of June, the ANBW and employers in the Nepisiguit area resolved problems on a friendly, informal basis.

The Task Force recognizes the need for a representation of woodsworkers in the Northeast. Representation can be a useful intermediary between workers and employers.

3.5 CONTRACTORS

The participation of contractors in forest harvesting operations has been cyclical. In the fifties, the number of large logging contractors increased. In early sixties this trend was reversed and the contractors became foremen on company operations. Their employees were hired by the pulp and paper companies and were organized by the unions in 1964.

Between 1970 and 1977 the forest industry faced a shortage of labour and a turnover rate of 400%. In that context unions had a stabilizing effect. It is during this period that woodsworkers, particularly those in union operations, made the most significant gains in pay and working conditions.

It is also during this period that modern forest harvesting technology made inroads into operations in the area. The most important change was the introduction of the wheeled skidder which increased man-day productivity and allowed the displacement of

some of the shortwood forwarders. After three or four years, the companies would sell the skidders to the operators. At the time, this change was profitable for both parties.

Near the end of the seventies the popularity of contractors entered an ascendant period. The reasons for their renewed popularity included:

1. The wheeled skidders, with their higher productivity, allowed a given volume to be harvested with fewer men, thereby simplifying the organizational tasks for contractors.

2. The size of cut blocks was decreased and the number increased following the creation of the Forest Authority in the Nepisiguit license in 1973, which caused Consolidated Bathurst Inc. to return its limits to the control of the government. The company subsequently became a contractor in a free market. The smaller, dispersed cut blocks favoured the use of contractors.

3. The number of enterprises which had a right to cut wood on Crown land increased when, in 1982, the Crown Lands and Forests act created the forest licenses and allowed sub-licensees to harvest their wood on them. Most sub-licensees hire contractors to harvest their wood on Crown and private land.

The contractors employed by the companies for harvesting operations seemed to receive little supervision. This lack of guidance in operational matters was particularly serious in the case of marginal contractors. The identification of this kind of contractor presented no problem for the Task Force. Among other characteristics, they tend to be more evasive or fearful, if they are found on their job site at all. Although their employees were generally more reticent in the initial stages of investigations, they became cooperative when their trust had been gained.

The Task Force could obtain no detailed data on the size of the contracts awarded to the contractors or the prices paid. It is felt that a representative figure for the annual cut volume is 20,000 cubic metres. It was felt that in some cases contract volumes were sufficiently low to void any economies of scale.

The creation of a strong group of contractors can encourage innovation and entrepreneurship. Without appropriate regulation and control, this development can, however, encourage unprofessional and unlawful practices.

The Task force observed the following characteristics in contractor operations in the study area.

1. The employment period for workers hired by contractors is presently short.

2. The average volume cut annually by contractors is low.

3. The degree of control exercised over the contractors by wood using industries varies between imperceptible and an intensity which would convert them into de facto company foremen.

THE GOVERNMENT

4. GOVERNMENT

4.1 FEDERAL

4.1.1 Unemployment Insurance

4.1.1.1 Lack of Flexibility

The U.I. benefit rate is based on the average wage earned in the ten weeks preceeding the termination of work. While this method may be equitable in the controlled environments in which most workers operate, it is insufficiently flexible for the forest workers' situation. Work in the woods is performed when weather conditions permit. It is common for woodsworkers to be unable to work when forest fire danger forces the closure of operations or during inclement weather. The presence of significant amounts of snow or stormy weather near the end of the logging season may reduce the wages of workers during the period which will be used to calculate their U.I. benefit rate, thus penalizing workers for natural phenomena beyond their control. When U.I. benefits are a significant part of a woodsworkers annual income, this situation encourages the worker to seek an early layoff before the weather affects benefits.

4.1.1.2 Personal Development Opportunities

Current U.I. regulations require that workers be available for work while claiming benefits. In industries with seasonal work patterns, the period during which a worker draws benefits represents a significant opportunity for training and development. The requirement for availability may thus be an impediment to the long terms solution to the unemployment problem.

4.1.1.3 The "System" and Control

Although controls exist in law to prevent the abuse of the U.I. system, the Task Force saw ample evidence that the controls were insufficiently applied.

While this laxness may have been a result of the generally difficult employment situation in the study area, it was nonetheless a significant factor in the economic situation.

> "Since unemployment insurance has been instituted, we are aware that fraud has been accepted in this government programme. We also know that all levels of society have been affected by government legislation and that several persons from different areas have mocked the legislation by means of fraud. Naturally, this equally affects the woods worker; we must understand why? We must not seek to justify the cause or the reasons of these fraudulent practices."
>
> Brief by Serge Robichaud
> July 25, 1987
> Paquetville, New Brunswick
> Woodsworker, NBWA

The widespread U.I. fraud practiced by contractors and workers is one of the causes contributing to the "exploitation" of workers. Fraudulent practices included:

1) Fraudulent reporting of the period of employment

Most woodsworkers are paid on a piecework basis. The contractors by whom the majority of woodsworkers are employed are thus concerned mainly with the quantity of wood produced rather than the time spent at work. A worker will select a weekly wage (his "stamp") and work the time required to produce sufficient wood to equate the wage desired over the U.I. qualifying period. This period is commonly 20-50% in excess of the period reported by the employer for the calculation of U.I. benefits. While this form of fraud was not found in all operations (or in any of the operations of the major companies), its variants were nonetheless widespread.

2) "Two workers for one stamp"

This form of fraud involves a situation in which two workers cut wood for one salary. This has the effect raising the U.I. benefits paid. The worker who is working but for whom no salary is reported is commonly receiving either U.I. or social assistance. The employer simultaneously defrauds both U.I. and the Workers Compensation Board by failing to report the "helper". The Task Force witnessed this form of fraud less commonly than the first.

Officials responsible for the control of the U.I. appear to be evaluated not for the quality of application of the controls on the program but rather on its effectiveness as a revenue supplement. The general lack of employment opportunities has put extreme pressure on all players in the system, from the worker to the elected politician to tolerate the current abuses.

The severe economic pressures in conjunction with other factors discussed later have led to a deformation of the forest labour market. The lack of work opportunities has led to a gradual decrease in the period of employment (see section 2.5.4.1 for data on employment in the study area). Unemployment insurance benefits also form the major share of the net income for many woodsworkers. These factors have combined to form a situation in which the woodsworker will accept both pay and living conditions well below those which would be required if he/she were to work a full year. This is compounded by the fact that the U.I. fraud makes it possible to increase benefits payable beyond those which would be calculated based on actual weekly salaries. In that sense, the U.I. system subsidizes the forest industries wood production activity.

Employment creation programs built around the U.I. program ("Section 38 projects") also have the effect of deforming the labour market. This effect is felt through a reduction in entrepreneurial activity which might be spurred by the availability of a large labour force with relatively low opportunity costs. Another effect is that work which might be carried out by the private sector is often performed by workers in job-creation projects funded by the U.I.C.

The U.I. program, especially where benefit rates may be raised by fraudulent practices, also deforms the labour market by raising wage expectations. The wage which must be offered to attract workers must be significantly higher than the U.I. benefits. The possibility of finding short-term high-wage employment renders more difficult the implantation of industries which offer longer-term employment at lower wages.

Where the majority of a workers annual income comes from U.I. benefits, the salary above which U.I. benefits stop increasing (the "big stamp") becomes a psychological target. If a worker is employed for 20% of the year, wages earned above the "big stamp" will affect only 20% of this annual income. This may have the effect of reducing incentive to increase productivity.

If the U.I. system were to disappear in the current context, the vacuum created would be catastrophic. The economy of the region is skating on the thin layer of ice of ten weeks per year of employment. The need for publicly funded make-work projects which ensure that 10 weeks of work are available is an indicator that the economic thin ice is cracking.

4.2 FEDERAL / PROVINCIAL

4.2.1 Economic Development

4.2.1.1 Objectives

If the goal of economic development is to foster the utilization of our resources in a manner which maximizes the common good, and if the efficiency with which we use the human resource is one of barometers of performance, it becomes obvious that economic development efforts in the study area have failed. This failure is not evident until the people involved lose their eligibility for unemployment insurance.

4.2.1.2 A Coordinated Approach

The provincial Department of Commerce and Technology has set itself the goal of developing the economy and creating employment in the manufacturing sector by:

1. Encouraging modernization and the use of new technologies

2. Increasing its profitability

3. Improving its competitiveness

4. Creation of a climate which will foster new investment

5. The encouragement of small business.

While it is clear that the Department is responsible for the promotion of new technologies and modernization, what is less clear is who is responsible for the workers displaced by modernization.

Economic development activity in the Acadian Peninsula has centered around the creation of infrastructure and the modernization of the fisheries industry. The fisheries industry received assistance in the form of cash subsidies, tax credits and other fiscal tools. The fisheries industry today is more specialized and still at the mercy of international market forces and remains a seasonal employer. The number of jobs in fisheries and the average period of employment have both been decreasing. The federal government recently was forced to create a $2.1 million make-work project in the crab fishing industry (Atlantic Insight, October 1987)

What appears to be lacking is economic development activities outside the fisheries industry which would have the effect of diversifying the employment and economic base. A diverse economy would reduce the impact of uncontrolable variations in the level of activity of any particular industry.

Modernization plans should include some provision for the training and reintegration of the workforce displaced by the planned changes. The responsibility for dealing with this should be spread among the interested parties. The societal costs should be an integral part of the planning process for modernization. The average length of employment of workers remaining after modernization should also be a consideration.

When a worker is laid off, net government revenues (income taxes minus U.I. payments) decrease significantly. In addition to these monetary considerations, the effect of a long-term layoff on human values such as hope and motivation are important.

4.2.1.3. Social Consequences of Modernization

There is no employment strategy to cope with workers displaced by modernization in the various sectors of the economy. The impact of mechanization in those parts of the forest industry where the potential for employment development is only partially realized (eg.silviculture) will be even more significant.

The Task Force set out to study the social consequences of mechanization of forest harvesting operations in the Dalhousie area. The company involved initially promised to provide a list of displaced workers but later refused. A report entitled "Social and Economic Impacts Of Technological Change In the Forest Industry" by New Brunswick Federation of Labour Technological Impact Research Project (July 1986) indicated that approximately 250 workers were displaced in the Dalhousie area when mechanized harvesting equipment was introduced.

The impact of the displacement of a worker has a direct impact on him and the social network of which he is a part. Confronted by the inability to find work and the realization that he has become a burden to society, the worker loses self-esteem and may ultimately drop out of the workforce. The desperate resignation resulting from displacement in an economy with extremely limited employment opportunities is often passed on between generations.

The human resource is unquestionably the most precious. Should mechanization be required to maintain the competitive position of the forest industry on the world markets in which it sells its products, the primacy of importance of the human resource must nonetheless be maintained. The fisheries industry has recently undertaken a modernization in which very little attention was paid to the displaced worker. The net result has been that the majority of social assistance recipients in the Acadian Peninsula are former fisheries workers.

4.2.1.3.1 Optimizing Mechanical Harvesting

During the public hearings we heard repeatedly that the mechanized operations were in the high volume per acre stands and in the best terrain, while woodsworkers worked on marginal sites and in difficult terrain conditions.

If the analysis carried out to determine profitability of mechanized systems were done without considering the less than perfect conditions, then new research should be undertaken to determine the real productivity of mechanized sustems in the same difficult conditions the woodsworkers are expected to work. Afterall, was not mechanization intended to make man's work easier?

4.2.1.4 Conflicts With Social Assistance Programs.

The roots of economic development are private enterprise and the local workforce. There is a fundamental conflict between job creation programs based on U.I. or welfare and private enterprise.

4.2.1.4.1 Make-Work Programs

Useful work carried out by workers in the context of a make-work project represents a lost opportunity for private enterprise. For example, if a renovation project is carried out by a crew paid out of a make-work project, this opportunity has been lost by the local building contractor. This phenomenon can lead to the devaluation of the task and to a reduced participation of private enterprise relative to what it would have been in a normal economy.

Several groups who met with the Task Force indicated that rates paid for silvicultural work were commonly too low. These rates were based on those paid for make-work projects. This situation has led to the devaluation of silvicultural work. The projects on which the rates are based were of a short-term nature and paid for with a budget which was too low for the work to be carried out according to the norms which would be expected of a private firm.

The net result of these make-work projects is the poor image the worker has of silvicultural work and the low rates structure, both of which discourage the development of a professional contractor and labour force.

4.2.1.4.2 Work "Under the Table"

Work "under the table", which exceeds the commonly accepted norms for informal barter, is common in certain trades. Home renovations and the harvesting of wood from private woodlots are but two activities in which "under the table" work is commonplace.

The tradesperson who can offer his services at a discounted rate either because revenues from U.I. or a welfare supplement to his earnings is at a financial advantage. His client obtains quality work at a reduced price. Certain types of work can only be done "under the table", since the availability of labour "over the table" is not secure.

Private firms competing in this kind of environment, find themselves at a disadvantage in obtaining work and in pricing their work.

4.2.1.4.3 "Over the Table" Labour Rates:

In order to attract workers private enterprise, which is competing with "under the table" work, must offer higher wages. One example is the agricultural worker who requires $9 per hour to make work "worth his while". Many small companies must face this unfair competition for labour. In some cases the only option open to private enterprise is to make use of "the system".

4.2.1.4.4 Time Frame for Solution

The conflicts between the social assistance system and economic development cannot be resolved quickly. The current situation developed over the course of many years and has been tolerated due to severe economic and social pressures which exist in the region.

A solution to these problems will be found only if workers, employers and both levels of government come together and deal with the underlying causes.

There is an established dependence and a nervousness with respect to anything that could threaten the economic system. Any solution affecting the labour force will require an adjustment period to gradually introduce change.

4.2.1.5 Under-Utilization of Forest Resources

The complete and efficient utilization of our forest resources is one means of aiding the economic development process. The following sections outline some salient facts about resource utilization in the study area.

4.2.1.5.1 Softwood Resource

The volume of softwood fibre currently used is at or near the AAC. Impending fibre shortages will cause the volume harvested to be reduced within ten years. The efficient and intensive utilization of this resource will be required to mitigate the impacts of these shortages. The Task Force noticed that a significant amount of wood which met criteria for conversion into sawlogs was made into pulpwood.

Any incremental economic activity based on this resource will have to come from the implantation of industries with higher value-added contents. One example of this is the coated-paper plant in Newcastle which uses pulp from the two mills in the immediate area.

4.2.1.5.2 Hardwood Resource

The hardwood resource the greatest potential for development. The availability of this resource and its potential for development have been the subject of numerous studies.

The lack of profitable markets for hardwoods has caused the industry to leave hardwoods standing in the cutover. The presence of residual hardwoods in the cut area reduces the productivity (and earnings) of woodsworkers and increases the costs of post-harvest silvicultural operations.

If markets were found for the hardwoods, their harvest could be integrated with that of the softwoods currently harvested. This development would have several positive effects:

1. The woodsworker would increase his earnings by harvesting more wood per unit area and because work would no longer be hindered by the presence of residual hardwoods.

2. Silvicultural operations would be more efficient in the absence of residual hardwoods.

3. New employment opportunities would be created in the processing of hardwoods.

In order to be profitable, the use of hardwoods requires that the majority of the fibre in the tree have a market, rather than only a portion (eg. a veneer log). There currently exists a number of small industries which could use a portion of the hardwood resource. Their profitability requires that a market be found for the currently unmarketable portions.

The conversion of residual hardwood fibre into energy or pulp would be to small hardwood indutries what wood chips are to the softwood lumber industry. A large number of small industries could benefit from this market. Many neighboring jurisdictions have begun to use wood for energy (eg. the New England states, P.E.I.).

4.2.2 Entrepreneurial Spirit

When a worker can only obtain ten to fifteen weeks of work per year, he has little incentive to invest in such an uncertain career. Annual revenues vary little whether the worker is employed for ten or forty weeks in a year. The worker sees little interest or need in becoming an entrepreneur.

The soporific effect of the unemployment insurance system is such that the need, which one would expect to fuel the entrepreneurial drive of workers with short annual employment periods, is essentially hidden.

4.2.3 Taxation

The taxation system has a significant impact on the woodworker's income. This impact is felt mainly through the deductions allowable on income. The worker must pay these expenses from after-tax dollars. These work expenses are sufficiently large so that the net income of the worker is less than what he collects on U.I. benefits. The impact of the deductions on income will increase with increases in annual income (as tax rates increase). The skidder operator may deduct all of the expenses related to the operation and transportation of his equipment. Although the latter operates the skidder as a business while the former is strictly an employee, the difference in tax treatment for workers who work as a team seems glaring. In other resource sectors such as fishing, the costs associated with the work are deductible from revenues while the worker (eg. boat captain) is considered an employee for U.I. purposes.

4.2.3.1 Investment Tax Credits

Under current tax regulations, new equipment purchased is allowed an investment tax credit which has the effect of significantly reducing the cost to the buyer of the machinery. This tax credit does not apply to purchases of used equipment, (which is the rule for workers in the study area).

The tax credit impacts the woodsworker in two ways: Firstly, the woodsworker who is unable to purchase new equipment will be unable to compete with large companies who obtain tax credits to purchase new equipment. Secondly,the tax credit system favours the replacement of men with machines by subsidizing mechanization.

4.3 PROVINCIAL GOVERNMENT

4.3.1 Ministry of Natural Resources and Energy

4.3.1.1 Scaling

The laws currently in place to regulate scaling, and their application, are not intended to meet the needs of woodsworkers. The need to "scale fairly and correctly, to the best of his ability and in accordance with the regulations" (Scalers Act, article 11) for renumeration purposes is as real as that for the collection of royalties from wood off Crown land. This need was, at least partially, recognized in a memo dated May 26, 1987 from Mr. David MacFArlane, Director of the Forest Management Branch, entitled "Scaling Arrangements -Contractor operations". The memo recognizes the need for scaling by licensed scalers, for workers to receive scale bills, and for a 24-hour period between scaling and the shipping of wood to allow the worker to check the accuracy of the scaling.

As was previously noted, although the need for an opportunity to verify the volume of wood which is scaled for the first time at the mill is as real as for wood scaled at roadside, this is not possible.

The needs outlined above are for all woodsworkers including those who work on private woodlots. The same scale could be used by the landowner for the determination of stumpage.

In the summer of 1987 twelve check scales were performed by the NBWA at the request of workers in the Nepisiguit area. In three of the cases, the scaling resulted in the under-estimation of the worker's production. All of these cases were dealt with in exemplary fashion by the chief scaler for Consolidated Bathurst Inc.

4.3.1.1.1 Number of Scaling Methods per Operation

The Task Force was surprised to note that in some areas, a large number of scaling methods were used within a single operation. In one operation the workers were paid on a diameter class system, the worker's skidder was paid per cord and the stumpage was paid on the basis of the production in solid cubic metres. It was not clear why such a large number of systems was used.

4.3.1.2 Silviculture

Silvicultural operations employ a significant number of workers. The nature of this employment is, in the case of planting, far from optimal. Tree planting work is a source of the ten weeks of work required to qualify for U.I.. A silvicultural contractor who is unable to ensure at least ten weeks of tree planting work may have difficulty in maintaining his labour force.

4.3.1.2.1 Rate Paid for Silvicultural Work

In principle, the provincial government is required to defray the total cost of silvicultural operations on Crown land. The rate structure developed must recognize this principle and take into account all the costs associated with the development and maintenance of a professional contractor and labour force.

Current rates paid for silvicultural work are too low. This is reflected in the small number of contractors specializing in pre-commercial thinning. Many licensees have experienced difficulties in the development of a stable, professional contractor force for silvicultural work.

4.3.1.2.2 Training of Silvicultural Workers

The majority of workers on the sites visited by the Task Force were in need of training. Basic skills such as saw sharpening and work planning were in need of significant upgrading. The need for some of the modifications made to the equipment indicated that proper work methods were not being used.

Although the supervisors with whom the Task Force held discussions had a positive attitude, the technical skills, training methods or motivation required to train workers was not evident.

Current silvicultural rates render impossible the kind of professionalism which the laws (on safety) and the importance of the work require. If these rates are used, the net result will be the abuse of the labour force, an unstable network of contractors and the creation of the kinds of economic pressures which lead to the unlawful, fraudulent practices described in the sections dealing with forest harvesting.

4.3.1.2.3 Transfer of Risk And Responsibility

The system currently used to perform silvicultural work is based on small contractors, with the transfer of risk and responsibility which the use of this system implies. This kind of decentralization of forest management activities may be a positive step.

The transfer of risk and responsibility from the government starts at the licensee level and proceeds with the contractors and finally the silvicultural workers. These transfers do not eliminate the need for regular assessments of the well-being of the system.

4.3.1.2.4 Flexibility in Silvicultural Treatment Choice

There is a lack of flexibility in the choice of silvicultural treatments to be used to deal with current forest management needs. There are useful treatments for which the provincial government has set no rates. If a harvesting method eliminates the need for a post-harvest silvicultural treatment for which the government currently pays, it might be profitable to encourage the use of this method with financial incentives.

The Task Force visited one operation in which silviculture was integrated into the harvesting system, resulting in slightly higher harvesting costs. The user of this system did not receive any financial compensation for using this system.

Since silvicultural harvesting methods are more difficult to mechanize, financial incentives for their use have the potential to increase employment while reducing overall costs to reach forest management objectives.

4.3.1.2.5 Employment Potential in Silviculture

Several groups mentioned the employment potential in silviculture. Although the potential is clearly significant, it will not be realized at current silvicultural rates.

The five-year outlook for silvicultural activity indicates that while the area treated annually will remain stable, pre-commercial thinning will gradually eclipse planting as the major silvicultural treatment. The area to be treated is expected to only increase by

five percent (DNRE). The timber supply analyses currently being prepared by most licensees may well change the outlook for silvicultural work. Since thinning is twice as labour intensive as planting to treat an equivalent area, the employment in silviculture can be expected to rise with the area thinned.

Although the possibility of replacing chemical weed control with manual methods exists, the cost effectiveness of such a transfer in methods should be examined. The total benefits of both options should be carefully weighed before any changes are made.

4.3.1.3 Resource Utilization

4.3.1.3.1 Sorting of Softwood

To reduce the effects of an anticipated softwood shortage, the use of the resource must be optimized. The Task Force noticed a significant amount of sawlog quality wood in the form of pulpwood. The rate paid to the woodsworker does not encourage the sorting of sawlog material.

4.3.1.3.2 Hardwood

Hardwood appears to have numerous utilization opportunities. The benefits derived from an increased hardwood utilization are spread throughout the entire system from the wood workers to the silviculture worker and to the manufacturing sector.

An improved hardwood utilization would:

1 - Improve the financial prospects of the woodsworker and the silvicultural worker.

2 - Increase the employment levels in forest harvesting due to an increased volume. Part of this volume will not require any additional labour as current harvesting operations will be optimized.

3 - Increase the employment levels in the manufacturing sector.

4 - Reduce the costs of silvicultural treatments.

4.3.1.4 Crown Land Infrastructure

The Task Force recognizes the need for a minimum standard of infrastructure on Crown land. This infrastructure will be of use to the various parties, including woodsworkers. The following sections deal with some of the basic kinds.

4.3.1.4.1 Access Roads

The majority of logging operations visited had adequate access roads. A few had roads which the Task Force felt were virtually impassable. Certain workers were travelling on roads which were extremely muddy or uneven. These workers incurred greater costs in these conditions and jeopardized the reliability of their vehicles. Although the Task Force was equipped vehicles designed for woods roads, there were several occasions in which it was forced to turn back or actually became stuck.

In addition to economic considerations, poor roads affect safety in the work place. This effect is felt through the additional time required to transport injured workers and through the increased risk of accidents due to travel fatigue.

In many cases, the quality of the roads is only upgraded immediately prior to the hauling of the wood, which often occurs several weeks subsequent to the commencement of operations.

4.3.1.4.2 Responsibility for Woods Lodging; "Batch Camps:

The poor quality of lodgings in the woods for woodsworkers has been dealt with in previous sections. The impetus behind the use of batch camps is the long distance between the work site and the homes of most woodsworkers.

The distance travelled has a direct effect on the net earnings of woodsworkers (see Section 2.6.3). The woodsworkers sampled in the study area were away from home for an average of eleven hours a day. The Task Force feels that the maximum reasonable distance from work is that which will require no more than one hour of travel in each direction.

The Task Force believes that batch camps such as those seen in the study area are unacceptable.

It is difficult to understand why existttttttttting laws were not applied and why such a large number of loopholes have been allowed to develop to circumvent the law. One example is the removal of batch camps from Crown land and their subsequent installation on private land. In certain cases travel distances between the camp and the work site exceed fifty kms.

Several government agencies have responsibilities with respect to standards for accommodation in the woods:

1. The Department of Natural Resources and Energy

2. The Department of Health and Community Services

3. The Occupational Health and Safety Commission.

The activities of these three agencies with respect to woods accommodation must be coordinated and rationalized.

The forest industry, whose reputation is soiled by the continuing existence of batch camps, should make itself heard and "felt" in this respect.

> "We strongly believe in the policy where workers stay in the woods that they should have first class camps. Where possible our work force commutes to work and home again at night".
>
> Brief presented by Bob Pinette,
> J.D. IRVING LTD
> Tracadie, August 7, 1987

4.3.2 Occupational Health and Safety Commission

4.3.2.1 Application of the Law

The Task Force witnessed several examples of the lack of application of the law. Working conditions and practices were frequently in contravention to the Occupational Health and Safety Regulations.

4.3.2.2 Employer Responsibilities

Several employers have been neglecting their responsibilities in the area of occupational health and safety. In this case, employer is taken to mean any enterprise which benefits from the work. This includes wood-using industries, contractors (and their front line supervisors) and, in the case of silviculture, the provincial government.

4.4 IMPACTS OF TECHNOLOGY AND EMPLOYMENT PERIOD ON EMPLOYMENT

Certain analyses were carried out to quantify the impact of changes in employment period and in the technology used on employment in forest harvesting operations in the study area. Four scenarios were considered:

4.4.1 Actual Situation

In this scenario (Figure 9), the actual distribution (according to company wood supply information of harvesting methods, on Crown Land and Private Woodlots, the employment length and man-day productivities estimated from Task Force samples were used to estimate the number of woodsworkers employed. This is a reasonable estimation of the current situation.

4.4.2 Maximum Employment Period

In the second scenario (Figure 10), the employment period for all harvesting systems was increased to the maximum possible without a serious loss of efficiency due to inclement weather (eg. deep snow, soft roads). The proportion of wood cut by each harvesting method was frozen at the level currently found in the study area (i.e. it is identical to that for Scenario 1). This shows the effect of reducing under-employment without changing technology.

4.4.3 Full-Tree Cut-And-Skid

The third scenario (Figure 11), is based on the conversion of all operations (except those which supply the forest product marketing boards) to the full-tree cut-and-skid harvesting system. All wood is cut manually, skidded to roadside, delimbed mechanically and cut into lengths by a slasher. The employment period was kept at its maximum for all harvesting systems. This shows the impact of a conversion to the least mechanized harvesting systems to show growth in recent years.

4.4.4 Koehring Feller-Forwarder

The fourth scenario (Figure 12) depicts a situation in which all operations (except those supplying forest products marketing boards) are converted to the Koehring feller-forwarder method. This implies mechanical felling, forwarding, delimbing, and slashing. This is currently the most mechanized harvesting system available.

Figures 9 to 12 show the employment situations resulting from the four scenarios. It should be clear that the bulk of current employment in harvesting is in trail cut operations. Because the period of employment in these operations is currently the lowest, an increase in the period of employment to its maximum has a dramatic effect on total employment.

Figure 9. Employment scenario 1, current distribution, production and employment periods.

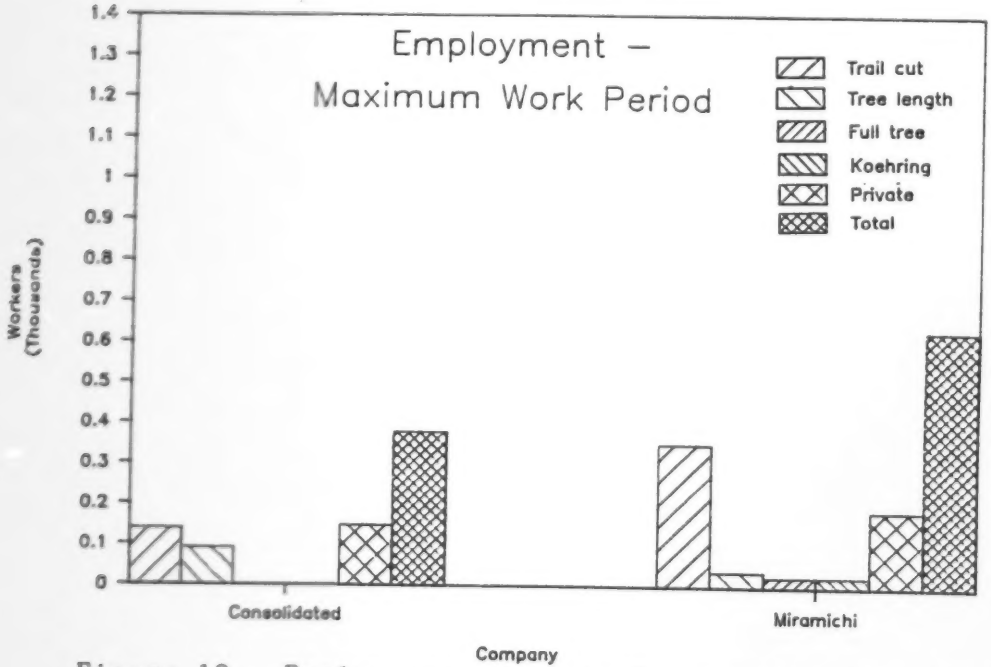


Figure 10. Employment scenario 2, current distribution of production, maxium length of employment for each harvesting system.

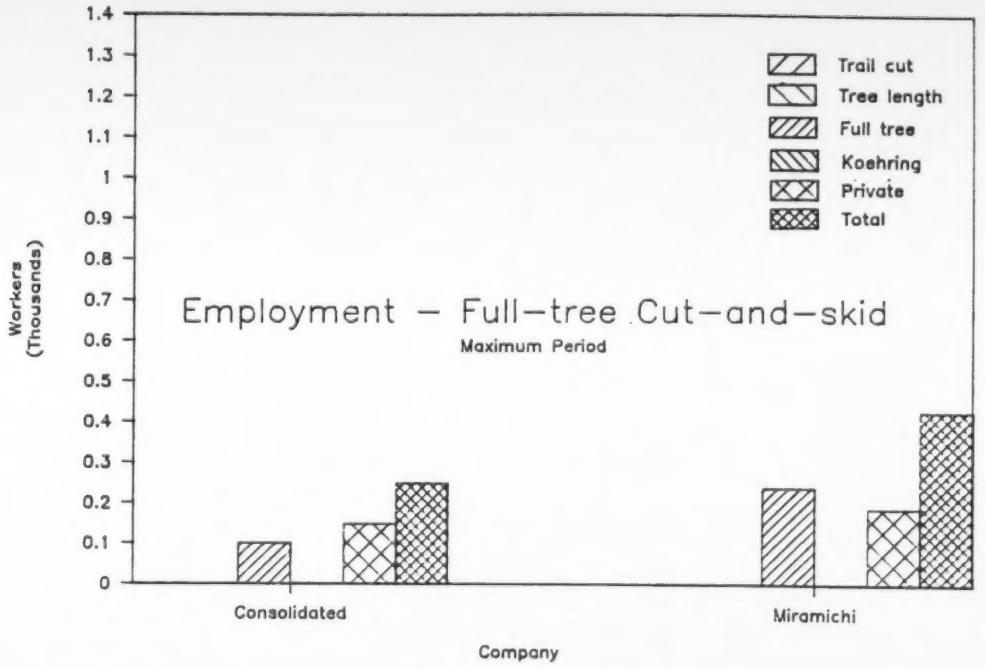


Figure 11. Employment scenario 3, all production (except marketing board wood) by full-tree cut-and-skid system. Employment length at maxium.

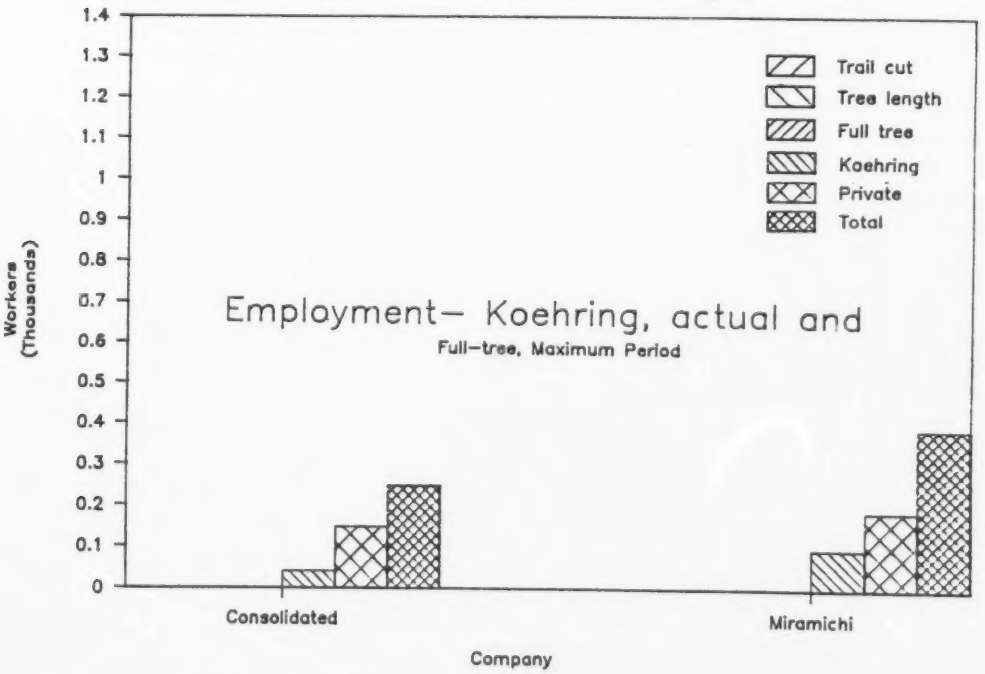


Figure 12. Employment scenario 4, all production (except marketing board wood) by Koehring feller-forwarder system. Employment length at maxium.

A change from Scenario 1 to Scenario 2 could cut the employment in harvesting in half (a loss of about 1000 jobs). A conversion to the full-tree cut-and-skid system would cut the labour requirements in three (a loss of about 1400 jobs). The full scale use of the Koehring feller-forwarder system would cut manpower requirements in four (a loss of about 1700 jobs).

It is also important to note that private land operations will provide an increasing proportion of the total employment in forest harvesting as labour intensive operations are eliminated from Crown and company freehold land. Because of the dispersion of private land operations and their small size, this trend may have important ramifications for the regulation of harvesting activities. This observation also underlines the need to include private lands in any legislative or policy initiatives aimed at improving the current situation.

While it is clear that changes in the employment period will lead to significant reductions in employment in the harvesting of wood, it is also clear that significant under-employment currently exists in the industry. This factor is responsible for a considerable portion of the problems which led to the creation of this Task Force.

The magnitude of the impacts of the changes described in the scenarios clearly dictate that they should not be allowed or caused to happen unless appropriate steps have been taken to ensure that retraining and employment is available to displaced workers.

4.5 SOCIO-ECONOMIC IMPLICATIONS

Analysis of the impacts of employment period changes on revenues by sector of society.

Changes in the annual duration of employment will have significant impacts on all sectors of society. The impacts on the following four sectors were examined:

1. households
2. private enterprise
3. provincial government
4. federal government

This analysis evaluated the effect of changing the period of employment from 10 weeks to 40 weeks. Figures 13 and 14 show the revenue trends by sector. The average period of employment in the study area currently lies approximately half-way between 10 and 20 weeks.

4.5.1 Households

The impacts of increasing period of employment on the household sector is different for the two main sub-groups created by this change. The first group is the workforce which will remain employed in the forest industry after the period increases. The second group is the body of workers which will be at least temporarily laid off when the work period increases.

It is also important to note that for both groups the short and long-term will yield different results. This is also true for the other sectors in society.

In the short term, the impact of increasing employment period on the workers still employed in the industry will be minimal. The proportion of total income which will be derived from employment earnings will increase. The high costs of working in the forest relative to piecework pay rate will lead to little additional revenue (Figure 15). This is true for trail cut operations, non-unionized tree-length operations and unionized full-tree operations in the study area. In the longer term, it is likely that workers will demand wages which provide a greater marginal benefit over a short duration of employment. This would have the effect of increasing the benefits to workers still employed. It is, however, possible that the higher wages required if employment is to reach its maximum practical length may drive the wood cost into the area in which mechanized harvesting systems are more economical than labour-intensive conventional systems used to harvest the majority of wood in the study area.

The impact on workers who have been laid off as the employment period increases are significantly different. Once unemployment insurance benefits have been exhausted, workers will either find other work in or out of the forest industry or become recipients of social security benefits (welfare). The curve in figure decreases with increasing period of employment primarily due to the decrease of U.I.C. benefits paid into the household sector. If the period of work were to increase from the current length of approximately 15

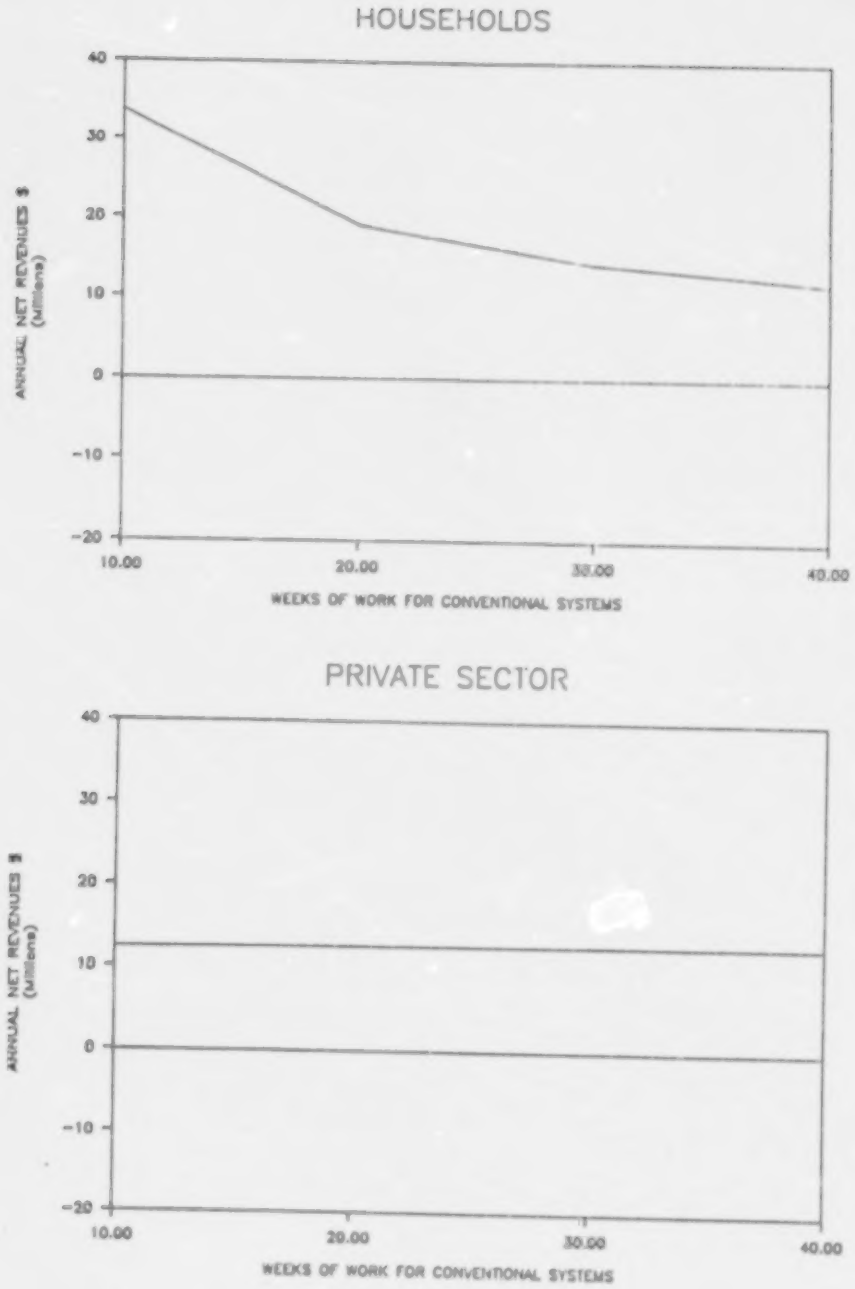


Figure 13. Net revenues for the household and private sectors versus annual employment period. These graphs depict the short-term situation.

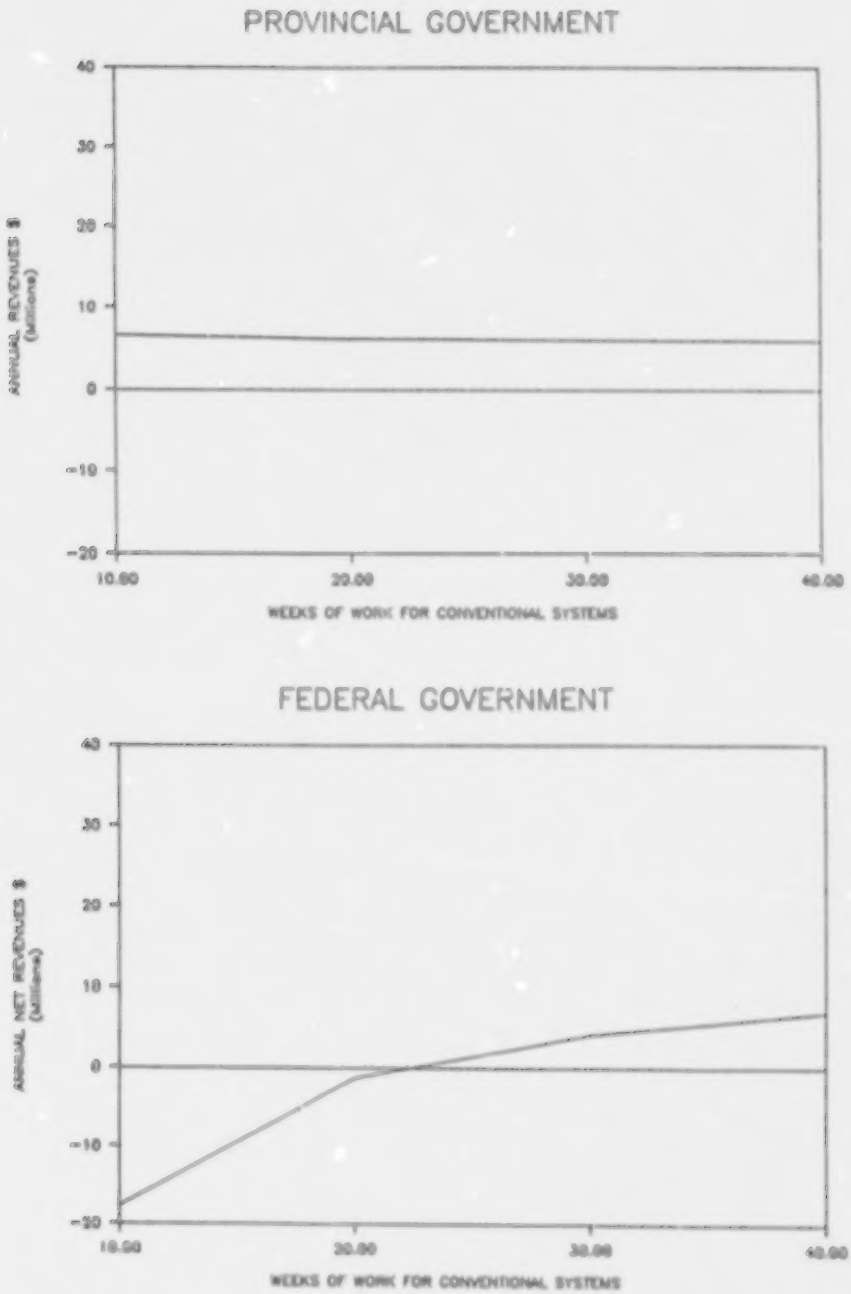


Figure 14. Net revenues for the provincial and federal governments versus annual employment period. These graphs depict the short-term situation.

weeks to the maximum period financially one thousand workers would be laid off and, therefore, be unable to qualify for U.I.C. based on earnings obtained in the forest industry. Each cord of wood harvested by the trail-cut method brought in $32 of federal revenues (in the actual conditions in the study area) to the sector. If and when displaced workers find alternative employment the curve will tend to flatten. In effect, new revenues will flow into the sector from employment. The shape of the curve of household revenues versus increasing employment period clearly underlines the need for real economic development.

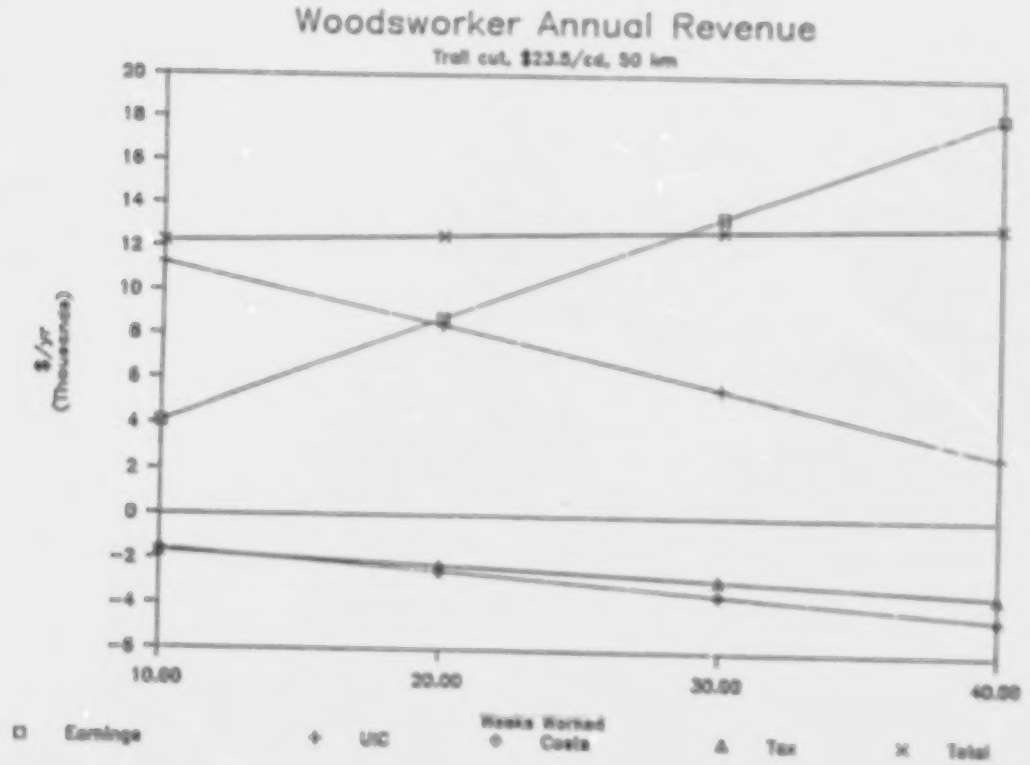


Figure 15. Worker financial variables versus length of annual employment period. Woodsworker depicted is employed in a piecework trail-cut operation. Travel distance is 50 kms., the piecework rate is $23.50 per cord and the worker produces 4 cords per day. Costs are depicted as negative revenues. Note how little the net revenues "total" change as the duration of the employment period increases.

4.5.2 Private enterprise

In the short term, the increase in employment period will have little effect on the private sector. Since contractors and workers are paid on a piecework basis, the cost of producing a given volume of wood will change little. Inventory costs will, however, decrease as the operations take place over a longer period.

In the long term, it is likely that wood costs will increase as the private sector is forced to bear the real cost of harvesting. It is also likely that some costs (eg. compensation costs) will decrease as the workforce retained for the longer period will be of a higher caliber. The longer work period will probably also lead to an increase in the volume harvested per contractor, with resulting economies of scale.

4.5.3 Provincial Government

It is likely that the Provincial Government will lose revenues in the short term as employment period increases. This loss in revenue, (caused by the loss of income taxes on U.I. benefits) may be exacerbated by increased welfare costs as the workers displaced become part of an already over saturated labour market.

It should be noted that no significant long term economic development can take place in this province until the deformation of the labour market caused by the availability of seasonal work with high insurable earnings is dealt with. Real economic development activity will yield higher provincial revenues. It is also important to consider the nature of federal transfer payments and their effect on the provincial economy. Funds used for economic infrastructure development yield (eg. Federal - Provincial Resource Development Agreement) long-term benefits as well as short-term income. Funds transferred through U.I. system create no long-term infrastructure and, in fact, reduce development potential by increasing the wage expectations beyond the level at which new developments may be attracted.

The human costs of "readjustment " in the labour markets are high. Care should be taken to ensure that human costs be kept reasonable when necessary adjustments occur. A failure to exercise care and compassion will result in undesirable social unrest.

4.5.4 Federal Government

As employment period increases federal net revenues increase dramatically. This is due to a significant decrease in U.I. benefits paid. In a context of high federal budget deficits this impact is important.

The comments made in the previous section on the impacts of different types of transfer payments apply to federal revenues.

RECOMMENDATIONS

5. RECOMMENDATIONS

5.1 MONETARY ISSUES

5.1.1 Increase in Piecework Rates
5.1.2 Bonus to Increase Employment Period
5.1.3 Bonus to Encourage Mobility
5.1.4 Increasing Profitability of Skidders
5.1.5 Adjustment for Difficult Operating Conditions
5.1.6 Means of Covering Expences

5.2 NON-MONETARY CONDITIONS

5.2.1 Woods Lodgings - "Batch Camps"
5.2.2 Access Road
5.2.3 Scaling

5.3 HARVESTING PRODUCTION

5.3.1 Optimization of Conventional Systems
5.3.2 Mechanization Permit

5.4 REPLACEMENT JOBS

5.4.1 Creation of 1,000 Jobs
5.4.2 Economic Development
5.4.3 Silviculture
5.4.4 Biomass Energy

5.5 GENERAL RECOMMENDATIONS

5.5.1 Training
5.5.1.1 Continuing Education
5.5.1.2 Woodsworker's School
5.5.2 Professional Certification
5.5.3 Worker Representation
5.5.4 Private Woodlots and Company Freeholds
5.5.5 Cummulative Employment Periods
5.5.6 Creation of a Supervising Agency

5. RECOMMENDATIONS

5.1 MONETARY ISSUES

5.1.1 Increase in Piecework Rates

1. The piecework pay rates currently paid by industry must be increased. These adjustments must reflect the need for a stable professional work force.

5.1.2 Bonus To Increase Employment Period

2. A system should be put in place which provides financial incentive to encourage an increase in the annual period of work. This would allow a worker to work longer periods and increase earnings relative to costs and other sources of income. The employer who would organize his operation with a duration of employment over a given minimum period (chosen to ensure the financial viability for workers and for the employer) would also benefit financially.

5.1.3 Bonus To Encourage Mobility

3. A system should be put in place to encourage temporary moves to find work by making them profitable. Woodsworkers in the Northeast are leery of the working conditions and pay offered in other parts of the province, where woods labour shortages exist.

5.1.4 Increasing Profitability of Skidders

4. The rates paid to skidder owner-operators should be examined, in the context of a rational employment period. A complete financial analysis, based on at least 30 weeks of employment per year, should be undertaken.

In several cases examined, it was obvious that the owner-operators of skidders were not even recuperating their variable costs. The owner-operator was, therefore, subsidizing the operation of his skidder in order to keep his job. This is unreasonable and inconsistent with the need to develop a strong, professional work force.

5.1.5 Adjustment for Difficult Operating Conditions

5. A mechanism which would permit the adjustment of piecework rates to reflect productivity variations in difficult conditions should be put in place in the study area. Such mechanisms are common in the industry in other regions.

6. Mechanical harvesting systems should be used to operate difficult and dangerous logging sites.

5.1.6 Means of Covering Expences

7. Employers should explore the possibilities of absorbing costs (with pre-tax dollars) associated with woodswork.

5.2 NON-MONETARY CONDITIONS

5.2.1 Woods Lodgings -"Batch Camps"

8. Batch camps, such as those seen in the study area, should be eliminated whether they exist on Crown land or private land.

9. Provisions for the lodging of workers in the woods should be included in the operating plans of licensees and of the forest products marketing boards. Adequate lodging should be included before such plans are approved.

5.2.2 Access Roads

10. Access roads to cutting areas should be made servicable before the start of operations and maintained in this condition for the duration of the work period.

5.2.3 Scaling

11. All scaling for remuneration purposes should be carried out by a licensed scaler, and be subject to the same standards and verification as scaling for the collection of royalties from wood on Crown land .This rule should apply equally to wood scaled on Crown or private land.

12. All scaling for remuneration purposes should be carried out in a way which will permit the worker to check the scaling of his wood before it is shipped.

5.3 HARVESTING PRODUCTION

5.3.1 Optimization of Conventional Systems

13. Before mechanized systems make further inroads in the forests of the province, the conventional systems must be optimized. By "conventional systems" we mean those in which the woodsworker uses a chain saw to fell trees.

5.3.2 Mechanization Permit

14. Plans for changes in harvesting systems should be included in operating plans and be approved before the changes take place.

15. The use of stumpage on Crown lands should be explored as one of the ways to encourage the use of conventional harvesting systems.

5.4 REPLACEMENT JOBS

5.4.1 Creation of 1,000 Jobs

16. An employment development initiative must be undertaken to absorb the workers displaced when the employment period increases. An example would be the silviculture and special harvesting practises.

5.4.2 Economic Development

17. The issue of the under-utilisation of the human resource should be put front and center in economic development policy planning.

18. Economic development initiatives should avoid creating a subsidized economy but rather aim to replace the current one.

5.4.3 Silviculture

19. The human resource planning for silvicultural work should be undertaken now with the needs of the next several years in view.

20. All silvicultural and specialized forestry work should be undertaken at a professional level rather than with the aim of using a "cheap labour" source.

21. Training for silvicultural and specialized forestry work should be first offered to displaced woodsworkers.

22. The rates paid for silviculture should be revised in order that work carried out on Crown or private land may be undertaken professionally and profitably.

23. The provincial government, licensees and marketing boards must share the responsibility of ensuring that silvicultural work is performed in a professional manner.

5.4.4. Biomass Energy

24. The use of forest biomass for energy should be seriously explored. Although biomass energy is slightly more costly than traditional forms, the economic development, environmental, social and forestry benefits it could provide are very attractive.

5.5 GENERAL RECOMMENDATIONS

5.5.1 Training

5.5.1.1 Continuing Education

25. Continuing education courses should be developed for woodsworkers and supervisors already in the industry.

26. Employers should be equipped and responsible for the follow-up of such training.

5.5.1.2 Woodsworker's School

27. A program offering basic woodsworker training in the French language should be established.

5.5.2 Professional Certification

28. The certification of both woodsworkers and contractors should be undertaken. Both groups should be evaluated on the basis of professional skills before certification is granted.

29. A program of upgrading by stages should be developed for those with professional potential who do not completely qualify at the time of initial testing.

30. The professional certification of contractors should require high technical and administrative skill levels as well as strong financial resources.

31. Only certified contractors should be allowed to harvest wood on Crown and private lands.

32. Only certified woodsworkers should be eligible for coverage with the Workers Compensation Board. Only they should be used in operations on Crown and private land.

33. The certification should be a requirement in the entire province.

5.5.3 Worker Representation

34. Provincial laws on worker representation should be examined.

5.5.4 Private Woodlots and Company Freeholds

35. The legislative and policy remedies created to solve the current problems should be applied equally and visibly to private land and Crown land.

36 The forest products marketing boards should have the same responsibilities as licensees and sub-licensees who use contractors. The marketing boards would, therefore, be required to submit operating plans for approval before operations could begin.

5.5.5 Cumulative Employment Periods

37. The successive periods of seasonal employment with the same employer should be cumulative relative to the Employment Standards Act, its Regulations and Amendments.

5.5.6 Creation of a Supervising Agency

38. A temporary agency mandated to put into operation the recommendations of this report should be created. The Task Force observed that there was a lack of application of laws currently existing and of coordination between the various agencies charged with their enforcement. The agency would be empowered to ensure that appropriate steps are taken by the players and, in cases where responsibilities are unclear, to assign responsibility.

GLOSSARY

FOREST HARVESTING EQUIPMENT AND SYSTEMS

Delimber - A machine which removes the limbs from trees once they have been brought to roadside. This equipment is operated by one worker, usually on a two-shift basis.

Feller-buncher - A machine which fells trees and places them in bunches ready for subsequent transportation to roadside. This equipment is operated by one worker, usually on a two-shift basis.

Feller-forwarder - A machine which fells trees, places them in a bunk at the rear of the machine and forwards (transports) the trees to the roadside. This machine is operated by one worker, usually on a two-shift basis.

Forwarder - A machine which loads logs into its bunk and forwards them to roadside. This machine is operated by one worker, on either a one or two-shift basis.

Full-tree cut-and-skid - A forest harvesting system which involves felling trees with a powersaw, and skidding (transporting) trees to the roadside. This is usually done by two workers, a feller and a machine operator, on a one-shift basis.

Shortwood - A term denoting logs of standard lengths, usually 4, 8, 12 or 16 feet. An example of its use is "shortwood forwarder".

Skidder - A machine which pulls trees behind it from the stump area to the roadside. The trees are attached either with a grapple arrangement (to pull bunches of trees made by a feller-buncher) or with a steel cable (to pull trees felled by workers with powersaws). Skidders are operated by one worker, usually on a single-shift basis.

Slasher - A machine which converts delimbed trees into logs of various lengths. This machine is usually operated by one worker (although older models with three operators are still used occasionally), and on a two-shift basis.

Trail-cut - A forest harvesting system in which a worker fells trees, delimbs and cuts them into logs, sorts the logs into product classes and piles them for forwarding by a shortwood forwarder. This system is only used on a one-shift basis.

Tree length - A term denoting a delimbed tree stem, usually used to describe the form in which a forest harvesting system delivers its product to the roadside (eg. a tree-length cut-and-skid system).

FOREST PRODUCTS

Biomass - In forestry, this term denotes trees or portions of trees which are not useful for conventional forest products such as paper but which might be used for the generation of energy.

Hardwood - A term refering to deciduous (leaf-bearing) trees such as poplar, maple and yellow birch.

Pulpwood - A term refering to logs of standard lengths, usually four or eight feet, used for the production of pulp and paper.

Sawlogs - A term referring to logs destined to be cut into dimension lumber.

Sawmill chips - Small chips of wood, with a specific size distribution, made in the sawmilling process, which are used as the a raw material in the production of pulp and paper.

Softwood - A term referring to coniferous (needle-bearing) trees such as pines, spruces and firs.

Studwood - A term referring to logs of standard dimensions for the production of stud (eight-foot) lumber.

FORESTRY ACTIVITIES/TERMS

Annual Allowable Cut - The maximum quantity of wood which may be cut without reducing the long-term production capacity of the forest.

Check-scaling - The formal re-measurement of wood previously measured by a licensed scaler.

Scaling - The formal measurement of wood, using procedures and standards set out by law, to estimate its quantity. Wood is normally measured in cords (128 stacked cubic feet) or cubic metres (of solid volume of wood, not counting bark).

Silviculture - The name given to the science of growing the forest according to a plan, using treatements such as planting, thinning, weeding and harvesting.

INDUSTRY TERMS

Batch camp - A form of lodgings owned by the woodsworker. Batch camps are installed in the woods to reduce the commuting distance to the work site. The term "batch camp" comes from "batchelor camp", because the workers who live in them must cook for themselves as well as clean and maintain the camp. Batch camps usually are not equipped with the minimum facilities required by law for in-woods accomodation.

Contractor - A term denoting a company which performs some portion of the task of harvesting, transportation or silvicultural work on a fixed price basis. Contractors are not final users of the work, but rather are hired by the final users to perform some portion of the work.

Fibre supply - A synomim for "wood supply".

Forest Products Marketing Board - An organization which negotiates with wood purchasers on behalf of private woodlot owners. Marketing boards also are the agency which regulates the flow of wood from the woodlots to the mills. Federal/provincial silvicultural funding programs for private lands are delivered by the marketing boards.

Freehold - A term for large blocks of land owned privately by companies on which many provincial forestry statutes do not apply.

License - A forest license is a territory licensed to a forest industry company. The company (the "licensee") is responsible for carrying out the management of the forests in the territory and for the regulation of activities undertaken on their behalf on the license. The licensee must provide a wood supply to a large number of smaller wood users ("sub-licensees"). The provincial government is responsible for the financing of silvicultural activities on the licenses. The licensee must also submit plans detailing what activities will be undertaken on the license for approval by the Department of Natural Resources and Energy.

Licensee - See Licence, above.

Sub-licensee - See License, above.

UNEMPLOYMENT INSURANCE TERMS

Unemployment insurance stamp - This is a term which refers to a week of insurable employment (eg. "I earned two stamps logging in the Miramichi). The term can also be used to describe the weekly insurable earning (eg. the "big stamp" refers to the maximum level of U.I. benefits - in 1987 $318 per week).

Erratum

Section number 4.3.1.3.3 (Energy Production with Hardwood) is found in paragraphs 4 and 5 of section 4.2.1.5.2 (Hardwood Resource), page 46.

MINORITY REPORT

SUBMITTED TO

THE HONOURABLE MORRIS GREEN
MINISTER OF NATURAL RESOURCES

BY

MR. CLARENCE LEBRETON
MEMBER OF THE MINISTERIAL TASK FORCE
ON LOGGING SECTOR EMPLOYMENT IN THE NORTHEAST

The decision of the undersigned to submit a minority report was not made without giving the matter proper consideration.

I would like to point out that the minority report does not place in doubt the competence or integrity of the people with whom I sat on this ministerial task force. Throughout our deliberations, relations with my colleagues were cordial and respectful.

The minority report reflects the concerns and positions of the Canadian Paperworkers Union which prompted the New Brunswick government to set up this task force.

At a press conference held in Fredericton on February 24, 1987, the Vice-President of the Canadian Paperworkers Union for Gaspé and the Atlantic Provinces, Mr. Elmo Whittom, summarized our union's position in this matter:

> It is essential and urgent to review the living conditions prevailing in the forest. For this reason, we have asked the government to set up a commission of inquiry to this end.

This statement was made subsequent to a meeting with Premier Hatfield, his Minister of Natural Resources, and other ministers, when a brief was submitted on the extremely difficult conditions still prevailing in the forest.

Mr. Whittom compared the situation of the woodsworkers in New Brunswick with that of the peons of South America who work under conditions of semislavery from which they can never escape.

The CPU document also reviewed the problem of the self-employed operator, around whom revolves the questions of piecework scaling and living conditions that are abnormal for the end of the twentieth century.

Mr. Whittom concluded his press conference as follows: "It is terrible to see that objectively the New Brunswick government is working in collusion with the big paper companies and their contractors, which are exploiting the woodsworkers shamefully. It is very important to change this situation."

The Canadian Paperworkers Union viewed this task force as a vehicle whereby the circumstances of the woodsworkers in New Brunswick could be reviewed within a global context, i.e., by comparing them to the conditions of woodsworkers in Québec, Ontario, the other provinces, and perhaps even other countries.

Such a review of specific conditions governing work in the forest would have made deep-seated reforms in working methods and legislation possible, the objective being to restore to the woodsworker all the dignity to which he is entitled.

PIECEWORK

The concept of piecework and its consequences is evaded in the report.

All woodsworkers in New Brunswick are paid piecework rates, that is, they get a certain rate for a certain quantity of wood cut. No production, no wage. The piecework rate system causes injuries, forces the workers to work too hard, guarantees the employer a fixed rate, and keeps employees in reserve from one year to the next.

There is no doubt that a woodsworker who does piecework is more susceptible to accidents. If he wants to make a reasonable wage, he is going to work hard, especially at the low rate paid by contractors. Typical contractors pay from 30 to 50% less than that earned by unionized woodsworkers. Driven by the desire to cut enough wood to accumulate his "big stamps" in 10 weeks, he is often not careful enough. Many take such shortcuts as:

- 1) not watching the tree in order to guide its fall in a specific direction;
- 2) not clearing around a tree in order to have a clean surface on which to work;
- 3) lifting big trees that are too heavy which should be left where they fall;
- 4) if the safety equipment is broken, such as chain brakes, woodsworkers do not have the means to take the time to repair it;
- 5) getting on skidders to reach the cutting site, since walking takes too long;
- 6) working on rainy days when the dangers of injury from falls, sliding, etc., are very high.

Most accidents are caused by fatigue. The woodsworker is forced to work too hard, too quickly, and too long to get his "big stamps". Less than 10% of woodsworkers are able to cut enough wood to get the "big stamp", which was increased to $530 per week for 1987.

Most woodsworkers who get 18 weeks of work a year only have already borrowed money to go to work. They have been forced to to borrow to get their vehicle in shape to travel over rugged logging roads, to buy a new chain saw or repair the old one, etc.. In certain cases, they earn as little as $12 a cord, and in most cases the price varies between $12 and $18 a cord. In order for a woodsworker to earn $100 a day, he must cut between eight and ten cords a day. In his attempts to do so, the woodsworker works long hours, and often, exhausted by fatigue, he begins to pay less attention to his work, and all of a sudden, he has an accident.

The Canadian Paperworkers Union finds it abnormal that at the end of the twentieth century, workers still have to pay to work. The system creating owner-operators in the woods has exactly this result. Over the years, workers have resisted the attempts of big business to make them assume the costs and the risks. Bitterly disputed strikes occurred in Ontario and Québec because workers tried to ensure that their jobs paid by the hour would be maintained.

The task forces's report does not deal with this matter and the serious problems arising from it. Thus, everyone knows that in addition to creating financial obligations which more often than not lead to the ruin of the owner-operator, piecework creates working conditions which are such that the health and safety conditions of workers affected are more of a reflection of the philosophy of the nineteenth century.

Talking about safety in this type of work environment is a joke. According to a safety instructor who left his job, woodsworkers do not really have the means to afford the luxury of thinking about safety. He said that in general, conditions are so pitiful - poor, rocky ground, mud, roads washed out, low rates per cord, few foremen to work with the woodsworkers - that he did not feel justified in telling them to cut slowly and follow the safety regulations, even though he realized the workers were endangering their lives if they did not follow safety rules.

SUBCONTRACTING

The task force did not deal with the matter of subcontracting or the role of big business except indirectly. Everyone knows that Consolidated-Bathurst, CIP, Repap, Irving, etc. control forest operations, and choose for economic considerations to transfer part of their operations to independent contractors.

When pulp and paper companies subcontract their woodcutting operations, their objective is to reduce the cost of wood. When the management buys wood from contractors, it gets a great deal of flexibility. It does not have to concern itself with costly workers compensation premiums. It is not necessary to provide workers with decent working and living conditions. It is not necessary to pay the high costs of repairing felling machines. Management does not even need to buy machines.

The contractor sets his rate per cord according to what he obtains from the company, not what the woodsworker needs in order to make a decent living. The rate per cord in New Brunswick has increased very little in 10 years. Some years the rate has decreased in relation to previous years. By giving the woodsworkers only 10 weeks of work per year, often necessitating 15 weeks of work in order that they may get their stamps for 10 weeks, the contractor is assured that the workers are starving enough to come back the next year, so that this is a vicious circle for the woodsworker.

Piecework rates do not enable employees to work much over the age of fifty. When he reaches 50, the woodsworker is usually no longer capable of working at the speed required by contractors. After the age of 50, they must find another job or live on social assistance.

However, this very flexibility would not exist if woodsworkers had a certain amount of security. Subcontracting is a way of passing on costs to the workers, who lose the stability of a union agreement. At the same time, the worker assumes the risks of injury which are so high in the woods, as well as the financial risks associated with investment in his own skidder.

However, the advantages of the self-employed worker, including the feeling of freedom and independence, are absent. Independence only means longer hours spent going to work and repairing machinery. Management defines working conditions. Without the advantages of a union, workers taken on an individual basis lose their effective bargaining power with the company. It is the classic application of "divide and rule".

The task force defines the contractor as a "mythical" being whose role is the create employment and prosperity for all (page 34; English version, page 36). The task force very modestly points out that the current system can encourage "unprofessional and unlawful" practices.

Nowhere do we find a description of the type of control which would force these contractors to provide their employees with normal living conditions, pay them decently, and maintain essential coverage for them as set out in various pieces of legislation.

LIVING CONDITIONS

There are three basic types of living conditions for woodsworkers in New Brunswick who cut wood on Crown Lands for use by pulp and paper companies: 1) unionized workers who either live in camps provided by the company or who are reimbursed for their travelling expenses; 2) non-unionized workers hired by contractors who must travel to work without reimbursement for travelling expenses; 3) non-unionized workers hired by contractors who after excessive travelling must set up their own rudimentary camps at their own expense.

Pulp and paper companies in New Brunswick have openly attacked unionized woodsworkers. Their strategy has been to reduce their numbers to a minimum by mechanizing cutting operations and hiring an increased number of contractors who in all cases work with non-unionized employees. This is in spite of the fact that New Brunswick has one of the highest rates of unemployment, with an immense reserve of competent, under-employed woodsworkers capable of cutting several times what the pulp and paper companies need.

Because of the permanently high unemployment rate, and the fact that companies insist on having non-unionized workers, New Brunswick woodsworkers have lost ground. Conditions are worse than they were 10 years ago, and woodsworkers have decided to resist and fight for their rights. There were several confrontations between workers and contractors in the Jack Lake region on the Renous highway, and the harvesting operations of ITT Rayonnier, a subcontractor for Miramichi Pulp and Paper, a company totally owned by the REPAP group. Woodsworkers working in this region brought pressure to bear on contractors, sawmills, pulp and paper companies, and the provincial government to do something about the oppressive working conditions of non-unionized woodsworkers.

Non-unionized workers who go to the harvesting sites every day must travel between 40 and 120 kilometers with their chain saws, their gas, their oil, etc. The worker must leave the house between 5:30 and 6:00 a.m., spend an hour and a half on the road, often on roads recently opened up by bulldozers, which have not even had enough time to dry.

The woodsworkers are paid by the cord, or today by the cubic metre. There is no provision for anything whatsoever, except for production. Woodsworkers work in pairs for safety reasons, because if one is injured, the other, it is hoped, will be able to take his partner to safety. The woodsworker hopes that he will be able to earn his "big stamp". Usually, work is not available for more than 10 weeks, and the woodsworker has to work like a slave for the 10 weeks and remain idle for the next 42. In many cases, the woodsworker is not able to get the "big stamp" unless the contractor is willing to falsify his books. There are many ways of doing this, as for example, when two woodsworkers work for a single stamp, so that the worker is forced to work for 14 weeks, for example, and earn stamps for 10 weeks, with the woodsworker buying stamps from the contractor, etc.

The woodsworker does not have any choice; he must obey the contractor's orders, otherwise he must leave and go outside the province to work or go on welfare. Usually he is poorly prepared, and does not have the necessary competence to go looking for work. Social assistance is considered living off the government, whereas unemployment insurance is perfectly acceptable. If the woodsworker has been able to accumulate his stamps, his security is guaranteed for the rest of the year. The pulp and paper companies, through the contractor system, have succeeded in keeping a competent woodsworker in reserve for another year.

Another very popular woodcutting system involves the skidder. Either the contractor owns the skidder, or even more often, the contractor hires a self-employed worker who owns his own skidder. The owner of the skidder must travel between 40 and 120 kilometers, or set up his own camp and see to his own accomodations. The operator of the skidder hires two or three woodsworkers to work as a team. A percentage is kept for the skidder, since the machine is the most important element of the team, and the rest is divided among the two or three woodsworkers.

Because of the short period available to woodsworkers to cut wood, and to be assured of their 10 stamps, they are often forced to work in the rain, even though this is dangerous, and can cause accidents. If the machine, chain saw, or vehicle they are working on breaks down, and the team has the bad luck to miss a day or two, it is often forced to make up the difference on Saturday and Sunday.

Woodcutting is a very dangerous occupation, reflected by the very high premiums for workers compensation in New Brunswick. Contractors who harvest wood must automatically pay 6.1% of wages to the Workers Compensation Board, and those who do not use machinery for harvesting must pay the astronomical percentage of 15%. It is well known that

contractors have almost no safety provisions for their workers, except to require them to wear safety trousers, safety shoes, and safety helmets, and to have a chain saw with a functional chain brake. If woodsworkers are injured, whether seriously or not, there are often no stretchers nearby to take them to the hospital, there are no bandages for minor cuts, etc. The contractor will not hire a woodsworker who has suffered previous injuries, for fear of future accidents. If the contractor's employees have had too many accidents, the workers compensation premiums will be increased, and he cannot afford them, given the rate per cord he receives from the company, which is already low.

Woodsworkers who live too far away from forest operations must provide their own accomodations. These woodsworkers are not paid a supplement to help them defray the additional cost of setting up a temporary camp or the weekly return trip. Whether they are trail workers or part of a skidder team, these woodsworkers must work under the same conditions as those who commute every day. The rates they earn per cord do not enable them to provide themselves with decent living conditions. Most have collected unemployment insurance all winter, and do not have the money required to buy trailers or decent mobile homes.

Some have the good luck to have trailers at the back of their half-ton trucks, others have built themselves makeshift plywood shelters, and some make an effort to build log shelters, but even the best are totally inadequate for men who have worked hard all day in the woods. When they come back after a day's work, they must prepare their own meals. They have no electricity, no running water unless there is a stream or river, and no way of heating their shelter, in other words, none of the modern conveniences. Makeshift shelters

are congested and unhealthy according to all standards. There are no provisions for drying clothes, and there is no place for repairing and adjusting chain saws and skidders for the next day's cut. When they are at work, there is no one left to keep watch over the camp, and very often items are stolen or damaged.

Woodsworkers who set up their own shelters live in these makeshift camps for a week at a time. The provincial government has no legislation on these camps, and there is no legislation governing working conditions set by the employer. There are regulations affecting camps provided by the employer only. The Minister of Natural Resources and Energy, when interviewed by the CBC said that some people drive across Canada in a half-ton, so why could woodsworkers not live under such conditions?

Some set-ups are as bad as you could imagine. There is no running water, no refrigeration, and no food source in the neighbourhood. During the heat of the summer, workers must be content with fresh food that will keep without refrigeration, whereas the rest of the week, they must live on food not affected by the heat.

If they have no running water apart from natural sources, the woodsworkers have no bathroom facilities either. After a hard day's work, the only place they can wash is in the nearby river or stream. After combatting the heat, flies, and gas fumes all day, workers do not have much more to look forward to in the evening.

These camps are the opposite extreme of those provided by the employers for unionized workers, which are modern facilities with running water, hot water for showers, and meals prepared by a competent staff. In many cases, these

woodsworkers pay about $30 a week for meals, and accomodations are free. These camps, which are subsidized by the employer, give the woodsworker a decent working and living environment. In these camps, the woodsworker can sleep properly at night and be prepared for a day's work in the forest. The non-unionized worker, however, in addition to slaving away all day, must spend up to four extra hours a day maintaining his camp, preparing his meals, etc.

Even if woodsworkers wanted to unite to invest in a decent camp, they would not be able to afford to do so, given the ridiculous price they are paid. Also, non-unionized workers are never guaranteed a job from one year to the next. If the employee has problems with the contractor, he is dismissed. It is a documented fact that the employees who demand their rights are dismissed by the employer. New Brunswick law does not have any provisions for "self-employed" or "autonomous" workers. If the employee goes to the Department of Labour, he has very little evidence to show. How can the employee prove that he has been unjustly dismissed - the contractor can say that he no longer needs workers, that the employee was not complying with safety regulations, etc., etc. Non-unionized woodsworkers are treated the way employers decide to treat them. Even if one job out of seven in New Brunswick is provided by the forest industry, and the raw material for industry is supplied by the woodsworkers, the woodsworker does not have much prestige. People assume that anyone can go and cut wood, without realizing that this is a very dangerous profession which requires experience.

UNEMPLOYMENT INSURANCE

The question of unemployment insurance is central to the report. According to the authors, unemployment insurance benefits "are sufficiently large, in comparison with after cost pay rates, so as to discourage temporary relocation"... (page 10).

In point 4.1.1.3 on page 37 (English version, page 39), the task force speaks of the non-application of unemployment insurance controls, and on page 38 (40), lays the blame on government officials.

I would have preferred a tighter analysis of the situation.

It cannot be accepted as a premise that the unemployment insurance system in effect in Canada is too generous to recipients. In addition, the prevailing situation in Northeastern New Brunswick is dramatic because the two main industries, fishing and forestry, are seasonal, and do not provide enough employment to ensure prosperity in this region. Unemployment insurance benefits are a hidden method of subsidizing woodcutting in New Brunswick, and the employers' complicity in this regard is flagrant evidence of this. The task force notes this phenomenon on page 37 (39) of its report without drawing attention to it, whereas the stranglehold of big business and its manipulation of social assistance plans to its advantage are an integral part of the problem faced by the woodsworkers.

CONCLUSIONS OF THE TASK FORCE

In its conclusions, the task force, which throughout its report condemned the generosity of the unemployment insurance plan, and the abuses of the workers in this regard, chooses to recommend a system of full employment in the forest which would also be made possible through subsidies to industry.

Point 5.1.2 on page 65 (67) in fact suggests that "the employer who would organize his operation with a duration of employment over a given minimum period (chosen to ensure the financial viability for workers and for the employer) would also benefit financially."

The task force also recommends in point 5.1.4 that the profitability of skidders be increased by expanding the period of maximum use. The task force does not explain how skidders could work more, how the duration of employment could be increased, or how 1000 additional jobs could be created in the forest.

I would have preferred more realistic recommendations that could have been applied immediately concerning piecework, living conditions, regulation of contractors, etc.

The task force's recommendations on scaling seem simple, but are complicated in their application. The demands of woodsworkers can easily be satisfied by informing them of the volume of wood for which the contractor is paid. In this way, if a forest company signs a contract with a contractor for 75,000 cunits of wood, the woodsworkers would know that in fact they are to be paid for 75,000 cunits.

I agree with the task force's recommendations on matters of silviculture and the training of woodsworkers.

Lastly, the report completely evades the question of the unionization of woodsworkers. Certainly, there is a positive reference to the Woodsworkers Association, which according to the members of the task force receives the support of the forestry employers in the region. However, recommendation 5.5.3 suggests simply that laws on worker representation should be examined. I believe that only access to unionization would emancipate woodsworkers. It is inconceivable that the task force did not study this essential answer to the terrible living conditions of woodsworkers.

Unionization is the essential, vital tool that would enable woodsworkers to escape from the institutional paralysis in which they are submerged, and eliminate the abnormal living conditions that are the rule in the forest.

For all these reasons, it is with regret that I must refuse to sign the report submitted by my colleagues, or associate myself with some of its conclusions.

I cannot agree to have this report serve ultimately as a warning to a repugnant system which urgently needs to be changed.

Clarence LeBreton